NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

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Read:

WE CAN WIN!

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SOCIAL JUSTICE Magazine Invests in War Bonds

COMMENT ON WORLD EVENTS ★ WILL THE PRESIDENT SUCCEED? ★ THE POPE'S NEW ORDER

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Dinner Chat

We Explain Our Investment

WHILE dinner-chatting last week, one of our guests expressed astonishment when he learned SOCIAL JUSTICE had $25,000 in its treasury.

The gentleman, however, had never paused to consider the nature of the publishing business. So, it was tactful for us to explain that thousands of subscribers had made pre-payment for the delivery of SOCIAL JUSTICE to their homes for 52 weeks.

We informed our guest that it is the practice of good management to reserve the bulk of the subscription money; to spend only a portion of it each of the 52 weeks to insure the ability of the corporation to fulfill its total contract with the subscriber.

Though our guest was satisfied with the explanation which uncovered the mystery of our having $25,000 available, he proposed another question to one of our editors. He asked how, in conscience, SOCIAL JUSTICE could invest in bonds.

He was informed that neither Father Coughlin in the past nor SOCIAL JUSTICE in the present had opposed bonds as bonds.

We opposed bonds of a non-productive or destructive nature which carried interest-bearing coupons; we did not oppose bonds of a productive nature which carried interest-bearing coupons because it is legitimate to make profits therefrom.

A bond issued to dig shell-holes was cited as an example of a non-productive or "destructive" bond; a bond issued to build a Boulder Dam was given as an example of a productive bond.

No sensible person classifies the profits made from these latter investments as usury when he stops to realize that Boulder Dam will continue generating electricity, fertile fields, millions of tons of foodstuffs, etc., etc. for years to come—and all for the benefit (i.e. profit) of the country at large.

' ' '

Insofar as SOCIAL JUSTICE refuses to accept any profit from its investment in the war bonds, our consciences are safe.

The matter of conscience required some further explaining. To ease the mind of our visitor, we pointed out that many of our five and ten-dollar bills (and bills of higher denomination) might be classified as couponless bonds, or non-interest-bearing bonds because, if one investigates, he will find such bills are not "United States Certificates" but "Federal Reserve Notes."

Everybody knows what a note is. It is a debt due a lender from some borrower.

When we consider that Social Justice Corporation is trading, for the most part. Federal Reserve Notes for United States Defense Bonds, the Corporation is simply trading one kind of an obligation for another.

The gentleman was surprised to learn that a great part of our currency consists of notes—Federal Reserve Notes. For the first time he discovered that we Americans have been engaged in trading debt money, in the form of these Federal Reserve Notes, for our groceries, fuel and other commodities. Indeed, he was shocked when we presented to him two different five-dollar bills for inspection.

' ' '

It is no more unprincipled, he concluded, to hold a Defense Bond than it is to hold a Federal Reserve Note—provided the holder of the Defense Bond refuses to accept the interest or profits derived therefrom.

Before our visitor departed, he remarked how shameful it was for so-called patriots—including some corporations and publications—to invest in war bonds which are designed to return to the investor profits which are truly "blood money."

16 PRINCIPLES OF SOCIAL JUSTICE

Liberty of conscience and education.
Just living annual wage.
Nationalization of important public resources.
Private ownership of all other property.
Control of private property for public good.
Abolition of Federal Reserve Banking System and establishment of a Government-owned Central Bank.
Restoration to Congress of its sole right to coin and regulate the value of money.
Cost of living maintained on an even keel.
Cost of production plus a fair profit for the farmer.
Labor's right to organize.
Recall of non-productive bonds.
Abolition of tax-exempt bonds.
Broadened base of taxation on basis of ownership and capacity to pay.
Simplification of Government and lower taxes.
Conscription of wealth as well as men in event of war.
Sanctity of human rights preferred to sanctity of property with Government's chief concern for the poor.

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Christmas Greetings to Manila

DECEMBER 24th for continental Americans was December 25th for our troops beleagured at Manila. The date called for an expression of Christmas good wishes.

So, rising to the occasion, Congress composed a Christmas message of good cheer, directing the Clerk of the House to forward it to General MacArthur.

In proposing the message, Representative John E. Rankin of Mississippi, remarked: "I think we should do this to encourage them and to let them know that the American people are behind them as they wage this fight against the most savage and inhuman bunch of brutes that ever infested the earth!"

The suggested message read:

"Accept our heartiest congratulations on the magnificent fight you are making, and be assured that the Congress and the people of the entire Nation are wholeheartedly behind you.

"We are proud of the glorious struggle you are waging against the enemies not only of our country but the enemies of our civilization.

"God give you victory."

' ' '

The American people, marveling at the courage displayed by our boys fighting to defend Manila, are prone to ask Congress why the United States Navy does not help these boys adequately.

This same Congress was responsible for pouring billions and billions of dollars on a lend-lease basis into London and Moscow; it approved the sending of 50 aged destroyers to protect British shipping on the Atlantic; it "God blessed" the taking over of Iceland and the use of many men-of-war to protect the Icelandic expedition. All this, when the entire world knew Japan belonged to the Axis and had pledged itself to strike when the iron of opportunity was hot.

The American people expect Congress to send more than honeyed words to General MacArthur and the heroes whom he commands.

Congress, therefore, will find itself "on the spot" if the United States Philippine army will be mowed down by the Japanese aggressors.

Pete Starts New Year With Positive Resolutions

HELLO, FOLKS:

January 5th, it is—'n I'm droppin' in on y' to see how y're gettin' along with y'r New Year's resalushuns. I jus' take it f'r granted y' made a few, y' know. Mos' uv th' girls in th' offus did, but they don't seem t' be enny too hopeful that they'll keep 'em very long. I don't think that's th' right attatood t' take, d' you? I'll hafta keep after them, too. We can't be havin' ennything like a defeetist complex around here, now, can we?

I hope y've not all made only one kind uv resalooshun—th' kind that start out "I'm *not* gonna do this and I'm *not* gonna do that." That's bein' negatuv. What we need 're enuf peepul to say "I'm gonna *do* this 'r that"—somethin' that's posatuv — somethin' that'll improve us 'n th' kommunity in which we live. I'm shure that if we'd all promus ourselves that we'd be a littul better in our evryday lives—a littul kinder 'n thoughtful —a littul bit more genrus—'n say a kind werd about peepul insted uv rippin' em up 'n down th' back whenever a chance comes along why maybe th' blessin' uv peese'd be given t' us.

I'm gonna try it out on myself, folks—so 'spect t' see me flyin' in with an angelik 'spreshun on my face most enny time. Heh, heh. Better give me a littul time, though, come t' think uv it—I've got an awful long way t' go 'fore I'm fit t' be modelin' wings 'n a halo.

' ' '

I didn't tell y' 'bout th' new Little Flower High School that was built f'r girls did I? Well, it's all finished now and they had opun house f'r ev'rybuddy t' come 'n see it. So Pal 'n I went out t' view it along with all th' others 'n I'm here t' tell y' that it's jus' simply wunderful — y' otta see it. Reely, it is *so* wunderful it almos' made me wanna go myself. Uv korse, th' modul kitchun had nothin' t' do with that, nor th' prospekts uv gettin' a nice tasty handout from th' stoodunt-cooks. Oh, no — not much!

But th' modul kitchun 'n dinin' room 'n sewin' room 'n music rooms 'n awdatorium aren't all th' attrakshuns—even th' klassrooms look invitin', what with ev'rythin' so pretty 'n new 'n airy, 'n with each uv 'em havin' their Chrismus dekorashuns all around. They didn't look like klassrooms at all.

While Pal 'n I were up that way we looked in on our sqwerrul frien's. They seem t' be doin' all right. I gess th' Sisters c'n be depended upon t' see that they get enuf food durin' th' winter.

' ' '

Well, that's all my news f'r now. But 'fore runnin' along I wanna thank all uv y' f'r bein' such swell frien's—I 'preshiated all th' nice cards 'n things y' sent me f'r Chrismus 'n all th' other nice things y've done f'r SOCIAL JUSTICE all durin' 1941.

May we hope that we'll merit y'r loyulty, y'r frien'ship 'n kooperashun durin' 1942?

— PETE.

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Comment

We Can Win

AS IMPORTANT as it is for Americans to prevent foreign foes overwhelming our armies and capturing our soil, there is a more important goal with which we are concerned.

The war will have been fought in vain; a military and naval victory will have been won in vain, unless a new order will be established in these United States following the cessation of hostilities.

Both President Roosevelt and Prime Minister Churchill agree that a new order should be established. In so agreeing, they admit the old order is inefficient and shot through with shortcomings.

First things come first. Therefore, it is necessary, first in time, to win the war. But, first in importance, it is necessary *to win the peace which follows the war.*

Therefore, we should work towards that peace even while engaged in defending our country and in beating down our enemies.

It should be a peace wherein the Christian concept of life predominates in the minds and actions of individuals, be they working men or farmers, industrialists or financialists, citizens or public officials.

This concept should not militate against the liberty of conscience and education regarded as sacred by minorities.

It should be a peace wherein we plan for the nationalization of important public resources and the distribution of raw materials, in reason, to all peoples.

It should be a peace which insists upon the right of private ownership of all other properties—a private ownership controlled and directed by representative government for the welfare of all.

It should be a peace whose terms demand the abolition of privately owned or controlled financial institutions which, in the past, have committed so many aggressions against mankind.

It should be a peace which proposes keeping the cost of living on an even keel and limiting the cost of armament to a minimum.

It should be a peace which respects the rights of labor and agriculture to a just share of the goods of this world.

It should be a peace whereby all nations and capitalists agree on the total cancellation of all war debts which nations owe each other or which citizens living within a nation owe their governments through the existence of war bonds.

It should be a peace where the theory of taxation will be based upon one's capacity to pay.

It should be a peace where, at all times, the sanctity of human rights will be preferred to the sanctity of property or financial rights.

These are the proposals which SOCIAL JUSTICE promulgates.

These are the basics upon which all of us are willing to fight through to the end with the hope of a just peace crowning our sacrifices.

With them in mind, we can win.

Without them, a military victory will be hollow.

We Invest

Last week SOCIAL JUSTICE Magazine invested $25,000 in Defense Bonds.

The Corporation purchased these Government interest-bearing bonds although it does not approve this method of financing the war in which our nation is engaged. However, there is no other way we can put our shoulder to the financial wheel.

While the editors of SOCIAL JUSTICE feel obligated to report this matter to our readers, we realize we owe an explanation to loyal followers who have been taught to regard profits derived from war bonds as blood money.

Therefore, when the Corporation invested in the war bonds, its officers instructed us to pledge publicly that SOCIAL JUSTICE will not profit by any interest accruing from these bonds. To do so, to our mind, would be to profit on the blood of our slain soldiers.

Be it publicly pledged, therefore, we will distribute all the interest or profit resulting from this investment to the soldiers, sailors, airmen, nurses or chaplains to use in the prosecution of a war we did not want but which the inevitability of policies and circumstances imposed upon us.

In no manner does our investment suggest that we are surrendering a principle. On the contrary, we are practicing what we preach and, at the same time, safeguarding our right as publishers to campaign against the abuse identified with profits accruing from war bonds—profits which we conscientiously regard as blood money.

If our action is of any value in directing public conscience, we hope that other corporations will follow our example as far as they are able.

What Is Our Foreign Policy?

THE JANUARY, 1942, edition of *Reader's Digest* poses the above question in its leading article.

Recognizing the *Digest* (5-million copies) is printed approximately a month ahead of the date-line, there is the possibility the editors were victimized by Pearl Harbor and the subsequent incidents. However, the question stands. Stuart Chase, whose article the *Digest* condensed from *The Progressive Magazine,* says:

". . . This is the critical question, and the people of America should have it answered. There are two possible answers, both consistent with what the Administration has done to date. One answer may strengthen the national interest, the other may strike it a devastating blow."

The *Digest* continues with the following admission:

"In the last few years we have all realized that America was approaching a crossroads. One road led to peace, the other to war. Today, the road to peace is no longer open. With hostile acts committed in the Atlantic, and blood flowing, it is a waste of time to throw more verbal bricks, call names, and say that the shooting should never have begun. It has begun, and history is an irreversible process."

We observe that the Hitlerean new order, designed to overthrow the old order of international capitalism and imperialistic democracy, was political, economic and social. As far as the United States was concerned, this aggressive new order was not evidenced by hostile military or naval actions. Our Government damned Hitler not so much for what he did but what he thought and what he might do to us.

Meanwhile, we joined with Hitler's actual military and naval enemy, supplying Britain with ships, munitions, money and threats thereby forcing Hitler to oppose us not for what we thought or planned to do but for what we actually accomplished.

Hence our foreign policy, devoid of all fine phrases, was one blueprinted to defend international capitalism and British imperialism no matter what the cost might be in tradition, in dollars and in blood to the citizens of our country.

' ' '

The *Digest* article continues with these remarks:

"The Government in its tangible *acts* to date has followed the policy of power politics, as we shall see. But in *words,* many Administration spokesmen have advocated the policy of war to the death. If this is the road ultimately to be taken, citizens can do nothing but rest assured. Administration leaders say that they are going to have Hitler's liver out. They say that they are going to wipe the Axis off the face of the earth. They say they are going to establish American concepts of freedom everywhere, give economic equality to all nations, and police the world whether it likes it or not. If these promises are just war whoops to confuse the enemy there may be a point to them. They may have some dampening effect on Axis plans. But if they indicate the real foreign policy of the Government, then the American people face a terrifying future. For such a policy means smashing the Axis military machine in Europe, Africa, Asia

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Comment

Churchill Visits the White House

WINGING their way furtively and dramatically across the northern reaches of the Atlantic, Winston Churchill, Lord Beaverbrook and a group of technicians happy-landed outside Washington, D. C. There they were greeted by President Roosevelt who escorted them to the White House to discuss over-all co-operation for the defeat of Adolf Hitler; to discuss an Allied new order, following the cessation of hostilities.

At this writing we know none of the specifics produced at the early conferences between Churchill and Roosevelt. We recognize, however, that the White House conference inaugurated December 22nd is nothing more than the second chapter of the Atlantic conference terminated August 14, 1941.

Following that eventful meeting on board the *Prince of Wales,* now slumbering on the bottom of the China Sea, the conferees issued a document known as the *"Atlantic Charter"* in which were incorporated "certain common principles in the national policies of their respective countries on which they base their hopes for a better future for the world."

The words above quoted prefaced a charter memorable for its eight points.

To understand the Washington conference, it is necessary to analyze the Atlantic conference which, after four months, is recognized by many persons as a failure by reason of its commissions and omissions.

In the January issue of *Fortune* magazine (1942) John Foster Dulles, famous international lawyer, contributes a valuable article substantiating the above criticism. He affirms the *"Atlantic Charter"* which recognizes the destruction of the Nazi tyranny "is not the all-sufficient end of the present struggle. It is rather a means to an end—the establishment of a better world order that may free society from the scourge of recurrent war."

Only two of the eight points of the *Atlantic Charter* expressed the ultimate objectives indicated in the words quoted above. The remaining six were concerned with political means through which the objectives might be attained.

Boxed herewith are the eight points of the *"Atlantic Charter."*

* * *

Viewing these eight points as a whole, the proper object of World War No. 2 is disclosed in the words, "assurance that all the men in all the lands may live out their lives in freedom from fear and want"; that there will be "improved labor standards, economic advancement and social security" for all.

These are laudable ends. They are not restricted to the British and the citizens of the United States. Rather, recognizing the earth and its 60 governments as indivisible, peace is recognized as an indivisible whole for all men. In this sense, the *"Atlantic Charter"* makes an attempt to view the human race as a compounded unit—almost as did Christ. But Christ hoped to integrate the human family by bonds of love implemented through supernatural means. *The "Atlantic Charter,"* aiming at the same objective, hopes to accomplish it by bonds of force implemented through natural means.

Few Christians will catch this distinction—a distinction wider than a church door; a distinction differentiating the Christ method from the *"Atlantic Charter"* method by the space separating the supernatural from the natural norm of life.

We observed that only two of the eight points of the *"Atlantic Charter"* specified the aims of the conferees. We intimated that the remaining six points were concerned with ways and means to bring about these aims. Let us view the *"Charter's"* six ways and means, leaving to the editors of religious publications to compare them with the Christian ways and means of accomplishing the same objectives.

* * *

Specific points of the *"Atlantic Charter"* presume that Great Britain and the United States will continue as they are—or were. True, both political entities are pledged to renounce expansion in square miles or in power. As for the rest of the world, the pre-war sovereignty of small nations is to be restored as it was; their territorial boundaries or domains are to be fixed as they were; trade will be controlled by tariffs instituted by the 60 sovereign nations; Great Britain and the United States plan to hold to their pre-war principles and practices of trade; the Axis powers are to be disarmed; the Allied powers are to remain armed on sea, in the air and on the land. In one word, the *status quo* of imperialism — the old order — is certified by the *"Atlantic Charter"* while the "new order" of Hitlerism is read out of existence.

Be it observed at this point why World War No. 2 originated. Any honest person will concede that Hitler and Hitlerism were protests against the old order dominated by Britain and the United States; were spearheads of a "new order" to overthrow imperialism. Because the Axis new order is diametrically opposed to imperial Britain's and America's most cherished political, commercial, industrial and financial ideals, the British and Americans (through their governments) oppose it.

John Foster Dulles remarks: "It might seem logical that such opposition should take the form of restoring and perpetuating the old world order that they seek to overthrow. Some would feel that we cannot propose change from the pre-war world order without thereby admitting that the revolt of the Axis powers had some measure of moral justification."

No one will dare accuse *Fortune* magazine of being anti-American in the sense that it is opposed to the traditional concept of commerce, trade, industry and finance. Therefore, the comment Mr. Dulles makes in his last-quoted observation is startling. In his *Fortune* essay he continues:

"If we fall victim to such reasoning we shall have gone far to lose the struggle to which we are committed. We shall have allowed the Axis powers to maneuver us into a position that is doomed ultimately to fail. We will be defending the indefensible and attempting the impossible."

* * *

Reasonable citizens, looking beyond Pearl Harbor, ask themselves why we are at war. The *"Atlantic Charter"* gives a reasonable answer. In a word, we are at war to preserve the old order, to save the *status quo;* to destroy Hitler's new order.

What about the old order?

Was it a thrilling success despite its wars, industrial bondage, decimation of private property through the instrument of mortgage, concentration of wealth in the hands of a few, mass poverty, unexpressed heresy of super-racialism through British, French and American control of great sections of Asia and many other criticisms which every able reader can suggest?

Let John Foster Dulles answer our question. He writes:

"The old politico-economic order has failed, and all the King's horses and all the King's men cannot put it together again. Its fall was inevitable. The world has become economically interdependent. Yet it was managed by sixty independent and disconnected governments, each concerned with and responsible to only a small part of the whole. As Lord Lothian devoted much of his life to explaining, this was international anarchy and it made war certain.

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The Atlantic Charter

"FIRST their countries seek no aggrandizement, territorial or other;

"SECOND they desire to see no territorial changes that do not accord with the freely expressed wishes of the peoples concerned;

"THIRD they respect the right of all peoples to choose the form of government under which they will live; and they wish to see sovereign rights and self-government restored to those who have been forcibly deprived of them;

"FOURTH they will endeavor with due respect for their existing obligations, to further the employment by all States, great or small, victor or vanquished, of access, on equal terms, to the trade and to the raw materials of the world which are needed for their economic prosperity;

"FIFTH they desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labor standards, economic advancement and social security;

"SIXTH after the final destruction of the Nazi tyranny they hope to see established a peace which will afford to all nations the means of dwelling in safety within their own boundaries, and which will afford assurance that all the men in all the lands may live out their lives in freedom from fear and want;

"SEVENTH such a peace should enable all men to traverse the high seas and oceans without hindrance;

"EIGHTH they believe that all of the nations of the world, for realistic as well as spiritual reasons, must come to the abandonment of the use of force. Since no future peace can be maintained if land, sea or air armaments continue to be employed by nations which threaten, or may threaten, aggression outside of their frontiers, they believe, pending the establishment of a wider and permanent system of general security, that the disarmament of such nations is essential. They will likewise aid and encourage all other practicable measures which will lighten for peace-loving peoples the crushing burden of armaments."

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Comment

(Continued from Page 4)

For in such a world there inevitably occurred economic and spiritual maladjustments that engendered the social ills and violent outbursts we have experienced. Throughout much of the world the hope and opportunity of youth were curtailed and the security of the mature was impaired. This occurred in a world where productive capacity and economic opportunity were potentially limitless. I know of no serious student of international affairs, in any land, who does not recognize that the old order was gravely defective. This impression is not merely that of experts, recorded in recondite books. It has been publicly preached until now it is sensed by all. Indeed, the cause of the Axis powers gained great initial momentum throughout the world because it reflected a dynamic philosophy that was responsive to a widely felt need.

"As the nature of their 'new order' has been revealed by their treatment of others, the original appeal evaporates. But we should gravely misjudge the situation if we felt that we could lead the world back to its pre-war status."

* * *

One of the most glaring shortcomings of the old order — the British-American order — was its inability to solve the problem of distribution. Though Great Britain controlled the highways of commerce; though, with the United States, it controlled the engines of production, these two powers failed in distributing the wealth of the world.

Witness how Britain operated in India with slave wages.

Witness how the United States operated in Puerto Rico — a part of the United States — with slave wages.

And within the precincts of continental America and insular England, these same two powers failed in distributing wealth amongst their peoples. Before having solved the problem of distribution within their own territories, the signatories of the *"Atlantic Charter,"* now meeting at the White House in Washington, are proposing to do for others what they could not do for themselves!

Glance over the eight points of the *"Atlantic Charter"* boxed on page 4. In the next part of this article we will attempt, following Dulles, to inspect them.

* * *

The first point proposes to retain the *status quo* of Great Britain and the United States. The word "aggrandizement" employed is almost synonymous with conquest and exploitation. Although the *"Atlantic Charter"* disclaims such an objective, the world outside the United States, Great Britain and the sovereign commonwealths will neither approve nor applaud that point; for the vast majority of the masses live outside insular England and continental United States — live outside its questionable prosperity and civilization under conditions which, sometimes, are appalling.

The second and third points indicate a desire on the part of the signatories of the *"Atlantic Charter"* to restore Europe to the *status quo* established by the *Peace Treaty of Versailles* insofar as these points seem to support the re-establishment of the 25 independent and unconnected sovereignties which the *Peace Treaty* confirmed.

There will be many persons disagreeing with the objectives of the second and third points of the *Charter* for the simple reason that a divided Europe has been the constant cause of animosities and wars.

In his *Fortune* magazine article Mr. Dulles says:

"It is, to be sure, historic English policy to keep the Continent divided. Thereby England acquires a certain kind of safety and the 'balance of power.' The *'Atlantic Charter'* suggests that Mr. Churchill is not at the present juncture prepared to renounce this historic English policy. This is understandable. But there is abundant evidence that the English people realize that the cost of this old policy in human misery and economic waste has now become prohibitive. A divided and warring Continent is no longer an English asset. Mr. Attlee, on behalf of the British Labour Party, has recently declared: 'Europe must federate or perish,' and at the Malvern Conference, attended by outstanding Christian leaders, lay and clerical, it was resolved: 'Our aim must be the unification of Europe as a co-operative commonwealth.' "

Evidently, Mr. Churchill is not in agreement with the English people themselves in proposing, along with Mr. Roosevelt, the second and third points of the *"Atlantic Charter."* Moreover, following World War No. 1, the Dawes Plan, which the victors imposed upon the vanquished for the repayment by the latter of fines to the former, insisted that imperial Germany remain intact; that Bavaria, for example, forego her desire for independence and be a participant in the penalties imposed upon the German Empire.

Secretary of State Hull, in a recent pronouncement, appears to disfavor theoretically the second and third points of the *Charter* when he pointed out — in the words of Mr. Dulles — "if national boundaries become unnatural barriers to the movement of men, trade and investments, the boundaries inevitably become subject to attack."

* * *

It is illogical for us, as world reformers, to seek the restoration of the *status quo* in Europe or elsewhere. View our enemy, Japan, if you care to see how illogical and impractical it is. In Japan there live 75-million persons. Japan is smaller than California. It is one-twentieth the size of Australia. Japan is almost barren of natural resources. Her people are prolific.

Is there not another law, mightier than the *"Atlantic Charter,"* which permits a people to expand to unused territories? Is it not true that *"the earth is the Lord's and the fullness thereof?"*

If there is fearless frankness and sincerity on the part of the Chartists, such cases as the above must, in conscience, be taken into consideration.

The fourth point of the *"Atlantic Charter"* has to do with the equitable distribution of raw material to all nations. As already observed, the problem of distribution is unsolved by those who are proposing distribution. Moreover, there will be a distribution, if any, executed by the victors, many of whose countrymen and state executives are imbued with the vice of hatred. From hatred proceeds not equity but iniquity. Consequently, the fourth point is not given serious consideration by those who properly evaluate the poison springs whence flow its proposals.

As much can be said relative to the fifth point, which desires "to bring about the fullest collaboration between all nations in the economic field"; which desires to secure, for all, "improved labor standards, economic advancement and social security."

The *"Atlantic Charter"* inferentially brings up the discussion of freedom of the seas, upon which principle depends the functioning of world trade. We recollect clearly that the freedom of the seas was one of the 14 points advocated by President Wilson. We recollect it was rejected vigorously by the English and British at the *Peace Treaty of Versailles.* It was Colonel House who sought Mr. Lloyd George to accept that point. The English Prime Minister stated that Britain needed to control and close the seas in time of war; he affirmed that, before England would sign the *Peace Treaty of Versailles* with that principle incorporated in it, England would elect to fight on alone. Eventually, Mr. Wilson pocketed his ideals and surrendered the principle of freedom of the seas — a principle now inferentially advocated in the *"Atlantic Charter."*

* * *

The limitation of armament as viewed by the *"Atlantic Charter"* is another moot question. Crystalized, there will be disarmament for the vanquished and armament for the victors. This means that the signatories of the *"Atlantic Charter"* abhor Hitler's Aryan blood superiority but support the British and American imperial superiority. It means, further, the peace treaty to be signed following World War No. 2 will be enforced not by morals but by arms.

Mr. Dulles remarks:

"Assuming that Anglo-Saxon unity could, as between ourselves, be perpetuated, the rest of the world would quickly grow restive under its military domination. Focuses of resistance would be constantly appearing.

"Could the American people be relied upon to support the forcible suppression of such incipient revolts wherever and whenever they might occur?

"Is it the course of practical wisdom to make peace dependent upon the willingness of the U. S. to fight so-called 'preventive wars' all over the world?"

* * *

The above analysis of the *"Atlantic Charter"* is presented this week — the week

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NATIONAL WEEKLY

Social Justice

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Churchill Addresses Congress

NAZI GERMANY required the leadership of Hitler and the assistance of millions of armed men to overrun Europe.

Great Britain needed nothing more than the mercurial presence and golden voice of Winston Churchill to captivate—if not capture—the United States of America.

In one of the most brilliantly worded addresses pronounced in the Senate chamber of the United States, Prime Minister Winston Churchill effected by consent, if not by law, the long sought union-nowism between the two great democracies.

After stressing the potency and preparedness of our common enemies—Germany, Italy and Japan; after designating Il Duce Mussolini as Hitler's "serf and mean utensil" (understood by many English-bred persons as a night pot), the hero of Gallipoli and Dunkirk eloquently confessed the unpreparedness of his own Empire and our Republic; oratorically predicted the inevitable downfall of our foes.

Betimes, England's greatest living orator—not referring to the former castigation he leveled against America following World War I—insinuated rather vigorously that had we remained close to Britain following the conflict some 20 years ago; had we insisted upon world disarmament; had we shared the wealth of natural resources with our erstwhile enemies, the present blood bath in which civilization is immersed could have been avoided.

Thus, wearing sack-cloth and sprinkled with the ashes of repentance, Americans are supposed to arrange themselves against the Wailing Wall of history and there strike their breasts for having refused to enter the League of Nations; yes, for having separated themselves in the first instance from the Mother Country.

In a spirit of "together we stand; divided we fall"; in a pattern of "one for all and all for one," the past is now forgotten. The present is at hand. The future with its inevitable supremacy over our enemies lies before us. Thus, having listened to the Ciceronean sentences which molded the minds of our Representatives, the new order is "hands across the sea."

Every radio listener observed that the reference made to "our Allies—the Russians"—evoked the loudest, longest applause from Senators, Representatives, members of the Supreme Court and Cabinet, and others who were fortunate enough to bask in the beams of the Churchillean sun—the sun that never sets upon the seven seas.

As listeners, we were inclined to inquire how Josef Stalin, sitting in his darkened Kremlin, would interpret the publication of union-nowism between Britain and the United States; for, as far as brother Josef was concerned, he was left sitting in the cold Kremlin—all alone, the object of praise.

And there is the rub. Will Stalin consider himself one of the unionists or will he conclude that he is another "utensil," most handy only for the present emergency? At most, Mr. Stalin will not consider himself one of God's chosen people—one of the ten lost tribists—whose destiny it is to bring "glory to God in the highest and on earth, good will to men."

No public commitments were made in Prime Minister Churchill's address indicating that union-nowism has been factualized by chapter, paragraph and word. Nevertheless, with the serenity characterizing the factor of a *fait accompli,* his memorable oration exuded the joy of a rainbow—a rainbow foretelling the end of stormy animosities; a rainbow ending in a hoard of gold!

Historians will treat the Churchill speech better than we can hope to analyze it. Current commentators will not dare to compare it with the masterpieces pronounced by Mr. Roosevelt.

Aside from that, we are informed that we are at war and will remain so until National Socialism, or British Imperialism, absolutely overwhelms the other.

Shortage of Material

IT IS OBVIOUS that tin and rubber will be short-rationed to manufacturers and consumers in the United States.

Both of these commodities are, in great part, the product of the Malayan peninsula. The tin imports of the United States from South America are not more than 10 per cent of our consumption.

Both tin and rubber are controlled by international monopolies whose tentacles stretch from London and New York to Singapore and beyond. More than four years ago those who saw the possibility of a United States-Japanese war forewarned our tin and rubber marketeers to stock up on these commodities. Their warnings went unheeded insofar as we now lack rubber, for example, beyond one year's normal supply.

All this takes us back to the opening months of the New Deal's activity in office. At that time Washington was bent on delving into Wall Street operations—strafing big business at the expense of harming national interests. Careless about building up a supply of such essential commodities as tin and rubber which are mostly imports, the New Dealers, in some instances, even broke down the supply of certain domestic commodities as well.

Take the case of copper: Eight years ago when the Treasury was fanatically engaged in acquiring silver and gold, Government officials legislated against our stockpile of copper. In 1933, according to *Fortune* magazine, we had a sufficient supply of copper for 600 battleships, 2,400,000 bombers, 65 power developments like Grand Coulee. Today, between the 1,800,000 tons of copper we can produce and import, there will be a gap of approximately 970,000 tons.

Certainly there are shortages of commodities. But who is to blame? Not the marketeers and consumers, but those who placed restrictions on them to such an extent they militated against normal supplies on hand.

Barbarism Is Proposed

A WEEKLY community newspaper, published in Oakland County, Michigan, recently gave utterance to the following pagan philosophy:

"You now observe, as we are on the threshold of a long siege of war, how impotent are the many efforts and movements to maintain the peace of this world; overboard go most of the altruisms and cold steel in the shape of the sword is the password of the day. We must, in this situation, become barbaric in our desire to slaughter the alien enemy."

The comment, we're told, was an inadvertence. The paper is old enough to know better than advocate a return to barbarism in order to gain victory.

Incidentally, the newspaper quoted is published in one of the most aristocratic little towns in America and is read by some of our bluest bloods.

The aggressions originating from enemy powers outside the country are no more to be feared than the literary aggressions of this nature which are imperiling the morals of our nation.

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The Birth of a Bond—

Defense Bonds, if You Please

Are Federal Reserve Bonds Profiting on Blood Money?

MOST TIMELY is the reproduction in this issue of SOCIAL JUSTICE of Father Coughlin's address broadcast on April 7, 1940.

The Radio Priest — now silent — answered the perplexing questions about bonds. He unveiled the mysteries of the Federal Reserve Banks. He raised his predictive voice against blood money.

As we say elsewhere in this edition, a new order is in the making. The old order is dying. If that is true, America must get rid of its inefficient, illogical and individualistic system of finance.

America must beget a new money system that will function for the distribution of wealth.

Here is what the Rev. Father Coughlin said:

In a spirit of cooperation rather than of criticism, I approach the discussion of one phase of our financial system. In doing so, let it be clear that I am neither impugning any man nor questioning any motive. I am trying to make a contribution of facts which will enable all in this audience to weigh our de facto financial system which, to my mind, is not only obsolete in so far as it is unable to meet the present needs of modern society but which, if sustained in its present activities, will, in my opinion, produce untold misery in this land that is teeming with wealth.

After all, our present financial system is a human invention. Like all products of the human mind, it can be perfected.

Thus, to the point: I bring to your attention a release made public by our Treasury Department in which was stated that our Federal debt, or obligations represented in bonds, amounts to $45,400,000,000 as of June 30, 1939. Of this vast amount the commercial and savings banks of the nation hold $18,800,000,000 of these bonds. In all, not counting what private individuals or non-financial corporations own, there are approximately $30,000,000,000 of these bonds held in banks, insurance companies and other financial or quasi-financial corporations.

That is a tremendous amount of money. Our question is: How did the banks and financial institutions, in the first place, acquire this money? To answer this question one is constrained to inquire: How did these bonds come into existence and what is their nature?

I (A)

Before engaging your attention with the discussion of the above questions, it is necessary to review some facts, pertinent to the Federal Reserve Banks. On December 23, 1913—27 years ago—a Federal Reserve Act was approved by the Congress of the United States. This Act permitted bankers to establish a bankers' bank—or, to be more precise, 12 bankers' banks situated one in each regional division of the United States of America.

During the course of years, the original Federal Reserve Act was amended. According to the amended Act (Federal Reserve Act of 1933, p. 3.): "Every national banking association . . . shall be required within thirty days . . . to subscribe to the capital stock of such Federal Reserve Banks in a sum equal to six percentum of the paid-up capital stock and surplus of such bank . . ."

In other words, your local bank, a member of the Federal Reserve System (and there are very few banks in the United States not belonging to it), is a part owner of the Federal Reserve Banking System. The entire Federal Reserve Banking System is owned by the local banks which, in turn, are owned by stockholders who are, generally speaking, men and women living in your own community.

In other words, the Federal Reserve Banking System is a privately owned corporation. It is not a Government owned corporation as some persons believe.

As factual as is the statement that the Federal Reserve Banks are privately owned corporations—not Government owned corporations—it is both amusing and alarming to learn that not only some factory workers but also some professional and business men labor under the impression that the Federal Reserve Banking System is a Government owned corporation. In the official hearings previous to the passage of the Banking Act of 1935, we read on page 304 of this Government document the following classic conversation which took place between the late Senator James Couzens of Michigan, Marriner Eccles, the Governor of the Federal Reserve Board—not the Governor of the Federal Reserve Banks—and Senator Townsend. Here it is:

"*Senator Couzens:* Have you ever heard of the criticism that exists among the ordinary depositors of the fact that they felt that when they saw 'Federal' on these windows that they felt that they were guaranteed and taken care of by the Federal Government?

"*Governor Eccles:* I haven't heard that.

"*Senator Couzens:* Never heard that?

"*Governor Eccles:* No.

"*Senator Couzens:* I have had a number of letters to that effect.

"*Senator Townsend:* You have heard of criticism of the names of banks, for example, the United States Bank?

"*Governor Eccles:* Yes; I have; I have heard that criticism, but never of the Federal Reserve System.

"*Senator Townsend:* Well, they were a member of the Federal Reserve System.

"*Governor Eccles:* Yes; but I have not heard of cases where people felt, simply because a bank was a member of the Federal Reserve System, that it was a Government-owned bank. I have heard of cases where people thought that a first national bank was Government owned; but those cases, I think, are quite remote." (Hearings on S. 1715 and H.R. 7617, Banking Act of 1935, pp. 304, 305.)

Governor Eccles of the Federal Reserve Board was very innocent, or else overestimated the knowledge of the American public. As a matter of fact, many persons at that time believed that the Federal Reserve Banks were owned by the Government.

I (B)

There are three more points relative to the Federal Reserve Banks that may prove to be interesting before I transfer your attention to the subject of bonds.

The first point answers the question: Who makes the profits from the operations of the Federal Reserve Banks? Page 14 of the Federal Reserve Act says:

"After all necessary expenses of a Federal reserve bank shall have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 per centum on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, the net earnings shall be paid into the surplus fund of the Federal reserve bank.

"The net earnings derived by the United States from Federal reserve banks shall, in the discretion of the Secretary, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury."

The second point is this:

"Federal reserve banks, including the capital stock and surplus therein, and the income derived therefrom shall be exempt from Federal, State, and local taxation, except taxes upon real estate." (Federal Reserve Act, p. 15.)

In other words, this privately owned corporation, gigantic in size and in operations, is tax-exempt except for real estate purposes.

The third point relates to the Federal Reserve Board. According to the Federal Reserve Act, a governing board is created consisting of eight members, including the Secretary of the Treasury and the Comptroller of the Currency and six private citizens appointed by the President of the United States by and with the advice and consent of the Senate. These eight persons are the Government watch-dogs, as it were, whose business it is to see that the Federal Reserve Banks operate legally. The salaries and expenses of six of the members of the Board are paid by the Federal Reserve Banks. The Federal Reserve Board, as far as ownership is concerned, enjoys the same relation to the Federal Reserve Banks as does the Federal Communications Commission, for example, to the privately owned radio stations and telegraph corporations.

This Federal Reserve Board has been in existence since the Federal Reserve Banks were established, that is in 1913. It was in existence during the panic of 1920, and failed to avert it although every person knew it was a financial panic. It was in existence in 1929, and failed to avert the depression which was notorious, among other causes, for its unreasonable debt inflation.

Still withal there are many honest men who adopt the viewpoint that our present financial system is sound as long as the Federal Reserve Board, vested with definite powers, is the watch-dog of the Federal Reserve Banks—12 privately owned corporations—which, as I will show in the course of these lectures, create the vast bulk of the money we use at a profit for themselves; put it into the stream of business or withdraw it therefrom; pay no taxes except those on real estate to the Government although, practically speaking, they enjoy the monopoly of money creation; and, in one sense,

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run little risk of loss, in so far as the Government guarantees deposits in local member banks up to a given sum.

II

With this skeleton background of the Federal Reserve Banks in mind, let us now proceed to the subject of the billions upon billions of dollars' worth of bonds which the banks, members and owners of the Federal Reserve, hold in their vaults. First of all, a Government bond is a promise made by the Government to pay the bondholder the principal sum plus the interest in lawful money represented by the bond. It means that for every Federal bond extant, the taxpayers of the nation must surrender part of their wages or earnings to redeem that bond which, after all, is a mortgage upon their pay envelopes, their houses, their factories, their farms and their merchandise — and, I might say, upon their jobs.

Federal bonds are Federal debts which all citizens must share—debts to be liquidated either through direct taxation or through consumers' taxes in payment of which every person shares.

In other words, the $30-billion worth of bonds held by the financial institutions of the country really are not 30-billion wealth dollars. Do not forget that a minus sign should be placed in front of those $30-billion to describe them correctly.

At this juncture, let me quote from page 306 of the Hearings on S. 1715 and H.R. 7617, the Banking Act of 1935, a public document. Senator Townsend is questioning Governor Eccles of the Federal Reserve Board. The Senator says:

"Senator Townsend: Well, as a matter of fact, the bonds that we issue . . . is inflation, is it not?

"Governor Eccles: To the extent that they create a deficit."

That is the minus sign to which I refer—the deficit.

Governor Eccles continues to state that when bonds are issued by the Government the banks create the money. He says:

" . . . a deficit financed by Government bond issues of $4,000,000,000 will add, if those bonds are taken by the banking system, $4,000,000,000 of deposits to the banking system."

In other words, my friends, every time the Government borrows from the banks—and do not think that I am misspeaking when I say this—every time the Government borrows from the banks, money is added to the deposits of the banks. Borrow $4,000,000,000, and the deposits of the banks increase $4,000,000,000. Borrow $30,000,000,000, and the deposits of the banks increase $30,000,000,000.

How are these billions of minus dollars put into circulation?

Mr. Eccles (and if any man in all the world should know what he is talking about it should be Mr. Eccles, the Governor of the Federal Reserve Board,) says:

"The deposits will first go to the Government, the Government spends the funds, and they come to the banks as deposits of individuals and corporations." (Hearings on S. 1715 and H.R. 7617, Banking Act of 1935, p. 306.)

Now, for the important question: Where did the banks get the money to buy the bonds from the Government? If you and I — private citizens — buy a Government $1,000 bond, we pay $1,000 in money that we earned by our labor or enterprise.

Not so with the banks. Only simple, uninformed persons think that the banks pay dollar for dollar for the bonds they receive from the Government.

Here is what Mr. Eccles says:

"To the extent that the public buys the Government bonds, it in no way changes the volume of money. It does affect the velocity of money because the individual buying the bond draws the money to buy the bond, the money is transferred to the Government and then the Government spends it. It in no way changes the volume of money in the System when the individuals and corporations buy the bonds, but when the banks buy bonds it does make a difference. To the extent that the deposits are increased by the banks purchasing bonds, the excess reserves of the banks are reduced by 10 per cent.

"In other words, if the banks buy a billion dollars of Government bonds, the deposits of the banks as a rule are increased by a billion, and the average required reserve is increased by $100,000,000. Therefore, if the banks have a 1-billion-dollar excess reserve and they buy a billion dollars worth of Government bonds and increase the deposits a billion dollars, the excess reserve is reduced to $900,000,000. If they bought 20-billions of Government bonds, the banks would increase the deposits in the banks 20 billions and their excess reserves would be entirely wiped out through that operation." (Hearings on S. 1715 and H.R. 7617, Banking Act of 1935, p. 308.)

In other words, according to the figures of Mr. Eccles, the Federal Reserve Bank members pay no more than $100 for a $1,000 bond; $100,000 for a $1,000,000 bond.

For the $18,800,000,000 worth of bonds now held by the banks, they paid, according to these figures $1,880,000,000, which is 10 per cent of their value.

Now let us pause to review what was said: What are the steps taken when the banks get Government bonds for nothing except the cost of making bookkeeping entries and the reduction of their excess reserves equalling one-tenth the value of the bonds purchased?

(a) There is need to build battleships, or feed the hungry or engage in some Government project that will cost, let us say, $1,000,000. Congress approves the project and appropriates the money, instructing the Treasury to borrow it from the banks.

(b) The Secretary of the Treasury then instructs the Bureau of Engraving to manufacture United States bonds.

(c) These United States bonds, which are a first mortgage on everyone's home, farm, business, income and job, are allocated to the local banks throughout the country. Each bank indicates how many bonds it wants. It will always ask for more than it hopes to get. Why not? This is a something-for-nothing proposition affecting the excess reserves of the bank only to the extent that its reserves are depleted one-tenth of the value of the bonds.

(d) When the bonds are received by the banker he makes a bookkeeping entry, marking down as assets a million dollars of bonds and, as liabilities, a million dollars of deposits.

(e) Then Uncle Sam obtains a check for a million dollars which the banker was able to write when he decreased his excess reserves by $100,000. In other words, the banker created, at least, on this transaction 900,000 minus dollars.

On this point Governor Eccles said:

"In purchasing offerings of Government bonds, the banking system as a whole creates new money, or bank deposits. When the banks buy a billion dollars of Government bonds as they are offered—and you have to consider the banking system as a whole, as a unit—the banks credit the deposit account of the Treasury with a billion dollars. They debit their Government bond account a billion dollars, or they actually create by a bookkeeping entry, a billion dollars." (Hearings on S. 1715 and H.R. 5357, page 399, Banking Act of 1935.)

In this way, the money—at least 90 per cent of it—that we use is debt money. It is nevertheless money created by a privately owned corporation at a profit for themselves.

Mr. Eccles says on this point:

"When I say credit in this connection, I mean money, because by far the largest part of money in use by the people of this country is in the form of bank credit, or bank deposits." (Hearings on H.R. 5357, p. 181, Banking Act of 1935.)

"Money is created in our present system by banks loaning to corporations, to individuals, and to the Government." (Hearings on H.R. 5357, the Banking Act of 1935, p. 399.)

The statements which I have made are almost unbelievable: It is unbelievable that privately owned banks who own the Federal Reserve Banks create money through the process of bonds and loans.

It is unbelievable that at least 90 per cent of our business is conducted through the money which these banks create.

It is unbelievable that, at 3 per cent interest on loans, we pay these privately owned banks $900,000,000 a year on $30,000,000,000 of bonds which they hold.

It is unbelievable that the local banks—the members of the Federal Reserve Banks — are engaged not so much in lending money to small business, to home owners, to farmers on any large scale, as they are engaged in buying the debt of the nation.

It is unbelievable that the members of the Federal Reserve Banks collect interest on at least nine-tenths of the bonds which they secured without even buying them with legal tender.

It is unbelievable that the more debt the Government creates and the more bonds the local banks obtain, the greater is the profit for the bankers under this present system.

And speaking of things that are unbelievable, the Federal Reserve Board — the Government watch-dog—is empowered to require the Federal Reserve Banks and, indirectly, the local banks, to purchase or sell Government bonds without any limitation. (Hearings on S. 1715 and H.R. 7617, the Banking Act of 1935, p. 310.)

This means, in my opinion, that if the financial policies now in vogue will be continued for another six years, the vaults in the local banks will hold not $30,000,000,000 of bonds but $60,000,000,000 of bonds; the national debt will not be $45,000,000,000 but $90,000,000,000; and the tax burdens which the citizens are bearing will be double what they are today.

In concluding this portion of my lecture, I see several weaknesses in our present

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financial structure. (I warn you, these are my own opinions based on the facts I have just read.) First, it is a structure predicated upon debt, not upon wealth. Second, it is a structure owned not by the Government but by private corporations which, in one sense, are subject to the supervision of a Government-controlled Federal Reserve Board—and in another sense are not. And thirdly, it is a structure which as a result of this control, forces private banks to buy Government bonds—to invest in Federal debt—rather than invest in the enterprises of a local community when this bank got its start from the money obtained from the local community.

I just said that the Federal Reserve Banks are owned by private corporations and are governed in one sense by a Federal-controlled board and, in another sense, are not governed by a Federal-controlled board. To clarify this statement, let me use the words of the Comptroller of the Currency (1935), Mr. J. F. T. O'Connor, who, in a letter written to Mr. Owen D. Young on June 6, 1935, said:

"Federal Reserve Banks are owned by member banks. Six of the directors of such banks are elected by member banks (private interests) and should the present title 2 of the Banking Act of 1935 be enacted, the entire supervision would be in the hands of the Governor of the Federal Reserve bank" (not the Governor of the Federal Reserve Board) "who would be elected by the directors. You would then have the situation of the very men in some cases, whose banks are to be examined, sitting on a board of directors of an institution charged with the responsibility of an examination of the particular institutions these men represent. It would certainly seem to be against the public policy for a man to appoint an examiner to examine his own bank . . .

"It is difficult to see how Federal Reserve banks can take the responsibility of supervision when, as is frequently the case, they are the member banks' largest creditor; and how can a Federal Reserve bank deal impartially with depositors in insolvent banks in the hands of receivers if it is responsible for the appointment of the receiver and must also collect its own debt against the bank." (Hearings on S. 1715 and H.R. 7617, Banking Act of 1935, p. 1004.)

III

Possibly the best yardstick to use in measuring the efficiency of the present financial system is the one which is related to the statement "by their fruits they shall be known."

What are the fruits?

In the last seven years our Government has spent in cash over $26,000,000,000 to create jobs and raise the purchasing power of the people.

In the same period of time it spent $6,000,000,000 for materials to be used essentially in a works program.

In the same period of time it has loaned $17,000,000,000 to business to create jobs for the unemployed.

That makes $49,000,000,000 in seven years which our Government has put into the channels of commerce and trade primarily to give employment to those who sought a job in our country.

Still withal we are told that approximately 10,000,000 persons who are seeking jobs can not find them. We are told that two-thirds of our families are living on an average income of $69.00 a month. We are told that more than 40,000 farms have been confiscated by Government as well as hundreds of thousands of homes and properties. We are told that taxation has risen abnormally. And, we are told, that production is practically up to normal.

Debt money has failed to filter down adequately and efficiently to the farmer, the laborer and the unemployed.

Although production is almost up to normal, and fewer men—both laborers and farmers — are being used in production, nevertheless distribution is absolutely out of gear.

Is it not true that by the word "distribution" we understand the movement of foodstuffs from the farm through the store to your pantry; wearing apparel from the cotton fields or the sheepfold through the mill to your clothes closet; shelter from the forests, the quarries and the mines through the factories to a home you can call your own?

Why have not two-thirds of our population the food, the clothing and the shelter they require? It is all here in America in the raw; it is all here in our wonderful factories and our skilled men. It is not distributed because the financial system, which is the medium of distribution, has broken down. Instead of being a help to the majority of our citizens, has it not been a detriment?

My friends, I have heard it said in financial circles of late that our national debt is money which we owe to ourselves. I have heard the question argued: "Why should we pay ourselves what we owe ourselves?" I have heard the conclusion drawn that neither the Government nor the owners of the Federal Reserve System care much whether or not we pay the principal as long as we pay the interest on the bonds.

Do men who defend such a theory simply want to wax fat on the interest money which we citizens and taxpayers will be required to expend for the privilege of supporting a system of debt money—of fountain pen money—which is issued into circulation with an interest charge upon it?

"By their fruit they shall be known" is not a bad yardstick to employ in judging the efficacy of the present financial system which is notorious for pyramiding debts and for failing to contribute efficiently towards solving our unemployment problem, towards securing an annual living wage, towards guaranteeing production-at-a-profit for the farmer, towards multiplying the ownership of private homes, towards eradicating discontent, towards decentralizing wealth now concentrated in the hands of a few.

That last point — the concentration of wealth in the hands of a few—is part and parcel of the Federal Reserve Banking System. For, be it known that the local banks —the member banks of the Federal Reserve System—not only create money when they accept Federal bonds by making loans to the Government; they also create money when they make a loan to a private citizen. In the case of the private citizen—yourself, for example—if you wish to borrow $10,000 from a bank, the bank obliges you, in most cases, to put up security — your home, your factory or your farm. The bank loans you $10,000, having marked on its books a $10,000 deposit. But the loan which it makes to you is only a check-book, granting you the privilege of writing $10,000 worth of checks. If you fail, when overcome by ill-health or by a depression, to make your payments to the bank, your home, your farm or your factory is seized. In the first instance you were loaned only privately created money, more properly called debt money with a minus sign in front of it. In the last instance, when you fail to meet the payment of debt represented by fountain pen money, your real wealth is confiscated.

I am not impugning the men who own or who are engaged in the local banks or in the Federal Reserve Banking System. I am simply calling to your attention the unworkability of the present financial system which, to my mind, is leading this country into chaos.

And, incidentally, vested with this tremendous power of creating money through the medium of loans, the Federal Reserve Banks and their affiliates, the local banks, and the friendly Federal Reserve Board might repeat in 1940 the history chronicled in 1914.

Let me conclude this lecture by reading to you Document 763.72111/35½ a, which the Secretary of State, William Jennings Bryan, addressed to President Wilson on August 10, 1914:

"My dear Mr. President: I beg to communicate to you an important matter which has come before the Department. Morgan Company of New York have asked whether there would be any objection to their making a loan to the French Government and also the Rothchilds—I suppose that is intended for the French Government. I have conferred with Mr. Lansing and he knows of no legal objection to financing this loan, but I have suggested to him the advisability of presenting to you an aspect of the case which is not legal but I believe to be consistent with our attitude in international matters. It is whether it would be advisable for this Government to take the position that it will not approve of any loan to a belligerent nation. The reasons that I would give in support of this proposition are:

"First: Money is the worst of all contrabands because it commands everything else. The question of making loans contraband by international agreement has been discussed, but no action has been taken. I know of nothing that would do more to prevent war than an international agreement that neutral nations would not loan to belligerents. While such an agreement would be of great advantage, could we not by our example hasten the reaching of such an agreement? We are the one great nation which is not involved and our refusal to loan to any belligerent would naturally tend to hasten a conclusion of the war. We are responsible for the use of our influence through example and as we cannot tell what we can do until we try, the only way of testing our influence is to set the example and observe its effect. This is the fundamental reason in support of the suggestion submitted.

"Second: There is a special and local reason, it seems to me, why this course would be advisable. Mr. Lansing observed in the discussion of the subject that a loan would be taken by those in sympathy with the country in whose behalf the loan was negotiated. If we approved of a loan to France we could not, of course, object to a loan to Great Britain, Germany, Russia, Austria or to any other country, and if loans were made to these countries our citizens would be divided into groups, each group loaning money to the country which it favors and this money could not be furnished without expressions of sympathy. These expressions of sympathy are disturbing enough when they do not rest upon pecuniary interests — they would be still

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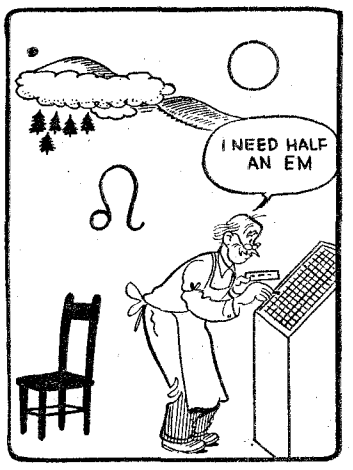
LAST CALL ON BOOSTED PRIZ

PICTURES FOR THIS WEEK

Picture No. 9

1. Lyons Falls
2. Nettleboro
3. Boys Town
4. Prophetstown
5. Daniel Webster
6. Sterling City

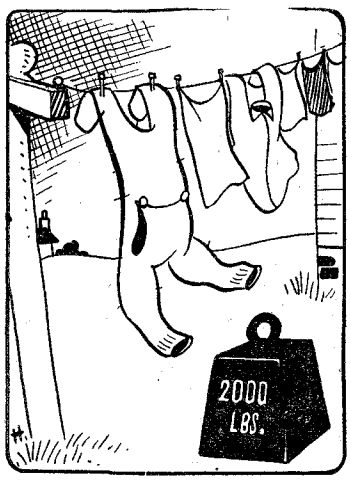
Picture No. 10



1. Charles J. Bonaparte
2. Horace Greeley
3. Napoleon
4. Leonardsburg
5. Hillsboro
6. Sun River

WHEN ENTERING NOW, START HERE

Picture No. 1

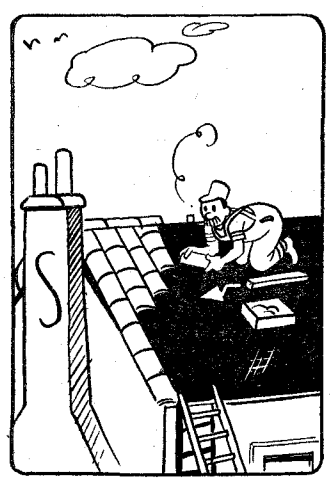


1. Washington
2. Tunney
3. Sherwood
4. Lindbergh
5. Waite
6. Landis

Picture No. 2

1. Mississippi
2. Ball
3. Missouri
4. Monroe
5. Montana
6. Minnesota

Picture No. 3



1. Brickley
2. Hugo L. Black
3. Tyler
4. Stimson
5. Highland Park
6. Ohio

Picture No. 4

1. Billings
2. Harper's Ferry
3. Buchanan
4. Altoona
5. Gettysburg
6. Arkansas

IMPORTANT INSTRUCTIONS

1. The contest will last 12 weeks, beginning December 8th. Two puzzle-pictures, accompanied by several suggested titles, will appear each week. All 50 puzzle-pictures will appear on the 11th and 12th weeks.

2. The task of the contestant is to select what he or she considers the best or most appropriate title for each puzzle-picture, taken from the suggested titles beneath the picture. There is only one correct, best or most appropriate title, predetermined before the puzzle-picture appears.

3. The correct title to each puzzle-picture can be determined from one or two considerations: (1) the general characteristics of the picture as representing or depicting what the title represents, (2) pronunciation of the names of outstanding objects appearing in the picture or the things characters say.

4. A contestant may remit ten cents in coin with his or her solutions each week for 10 weeks, and then remit the balance of $1.50. Or payment in full, $2.50, may be made when entering the contest.

5. No contestant may submit more than one set of solutions. However, every member of the family may submit a set, thus increasing the probability of having a winner in the home.

6. Judges of the contest are recruited from the editorial and art staffs of SOCIAL JUSTICE.

7. A BONUS OF $500 OVER AND ABOVE THE REGULAR PRIZE WILL BE PAID WINNERS OF THE FIRST, SECOND, THIRD AND FOURTH PRIZES WHO ENTER THE CONTEST DURING THE FIRST FIVE WEEKS.

Now comes the first important "crisis" in our great "AMERICANA" Contest—the "deadline" on the INCREASED PRIZES.

THAT DATE — THAT HOUR — IS MIDNIGHT, SATURDAY, JANUARY 10th!

Unless you enter this entertaining and intriguing contest at or before that hour you CANNOT WIN a Grand Prize of $2,000.00. After that hour you can only win, in the hour of Victory, a Grand Prize of $1,500.00.

You MUST enter before that hour in order to qualify for a Second Prize of $1,500.00 instead of $1,000.00.

You MUST enter before that hour in order to qualify for a Third Prize of $1,000.00 instead of $500.00.

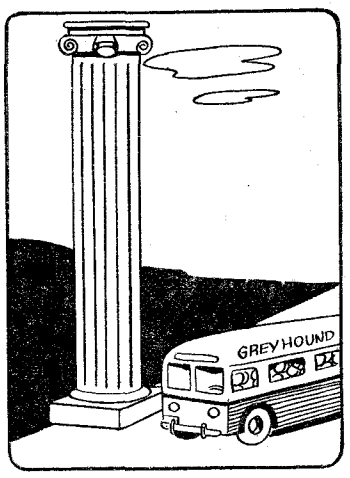
You MUST enter at or before that hour in order to qualify for a Fourth Prize of $900.00 instead of $400.00.

Please remember — in order to qualify for an INCREASED PRIZE, the letter containing your entry MUST BE POSTMARKED AT OR BEFORE MIDNIGHT OF SATURDAY, JANUARY 10th.

So, now you KNOW what you MUST do in order to strike for the highest fortune available in this competition.

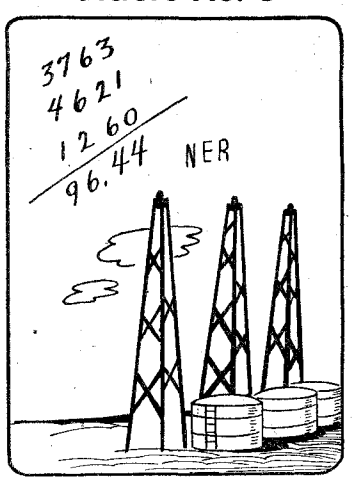
The rest is up to you. You realize that this great contest

Picture No. 5



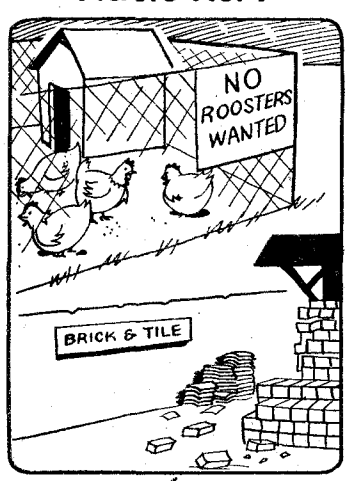
1. Boston
2. Buskirk
3. Buster Keaton
4. Columbia
5. Columbus
6. Grayson

Picture No. 6



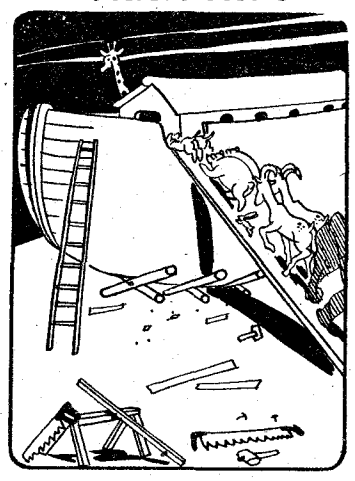
1. Orson Welles
2. Charles Sumner
3. Figerden
4. Oil City
5. Nebraska
6. Sumner Welles

Picture No. 7



1. Henry W. Longfellow
2. Henry Clay
3. Henderson
4. Chickamauga
5. Chickahominy
6. Claypool

Picture No. 8



1. Arkansas
2. Arkadelphia
3. Newark
4. Shippenville
5. Carter Harrison
6. Sheboygan

Owing to th
piled upon our
contest entries

You need ha
coupons have b
computation fo

Just keep ri
verance to win
solutions can b

'UPPED

GRAND PRIZ
Second Prize
Third Prize
Fourth Prize
Fifth Prize
Six prizes of $
100 prizes of
200 prizes of
311 Cash Priz

REMEMBER THE "

Midnight—Saturday

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ES! TO STRIKE FOR $2,000.00 YOU MUST ENTER GREAT 'AMERICANA' CONTEST AT OR BEFORE MIDNIGHT, SAT. JAN. 10

l be all over within a few more weeks. You know that then usands of dollars in prizes will be distributed among 311 ders who prove that they are able to solve 50 easy puzzle-tures better than any of their competitors.

YOU KNOW THAT—IN ORDER TO WIN—YOU MUST ENTER E CONTEST.

Well, then—

The sensible thing for you to do is to enter NOW, during se few remaining days when you have the opportunity to ke for a prize $500.00 higher than you can win if you delay ur entry until later.

We have made it easy for you to enter TODAY and bring urself to an "even keel" with every other contestant.

At the bottom of these pages you will find a Coupon with squares on it. There is a square for the number of your ection of a title for each of the 10 puzzle-pictures appearing lay.

Of course, if you are already entered, you will merely fill your titles to No. 9 and No. 10.

But — when entering the Contest TODAY — you set down your selected titles to all 10 puzzle-pictures before you now. Send them in with your remittance of 50 cents (you may pay in full, $2.50, if you wish) and you are in the Contest.

FURTHERMORE, YOU ARE THEN QUALIFIED FOR A PRIZE INCREASED BY $500.00 OVER THE REGULAR PRIZE LIST, IN THE EVENT OF YOUR VICTORY.

Besides, without further cost, you have the privilege of having SOCIAL JUSTICE Magazine sent for four months to any person not now a subscriber.

That's all need be said. As we say, the rest is up to you. Your opportunity to win $2,000.00 or any one of the remaining 310 prizes is as good as that of any person in the Contest.

So — get goin'— an' win.

Address All Contest Mail to

"CONTEST MANAGER"

SOCIAL JUSTICE Royal Oak, Michigan

AN APOLOGY

ush of Christmas mail and also to additional seasonal work ff, we have been unable to acknowledge all remittances and om readers participating in the "AMERICANA" Contest.

e no worry about this. You can be fully confident that your n received and are being duly filed and prepared for final the prizes. Acknowledgments are now going out.

t on sending in your weekly coupons. It requires perse-All contestants are reminded that only a complete file of 50 considered qualified to compete for the prizes.

PRIZES APPEAR FOR LAST TIME

	For Early Entrants	For Late Entrant
	$2,000.00	$1,500.00
	1,500.00	1,000.00
	1,000.00	500.00
	900.00	400.00
	200.00	200.00
.00 each	150.00	150.00
0.00 each	1,000.00	1,000.00
00 each	1,000.00	1,000.00
	$7,750.00	$5,750.00

DEADLINE" . . .

January 10th

RULES OF THE CONTEST

1. The "AMERICANA" Picture-Puzzle Contest is open to all readers of SOCIAL JUSTICE Magazine, except home office employes or members of their families.
2. The Contest shall consist of 50 puzzle-pictures based upon the names of prominent American statesmen, legislators, soldiers, business men, playwrights, columnists, actors; or the names of states, cities, towns and rivers of the United States. It shall run for 12 consecutive weeks, beginning December 8, 1941. Two puzzle-pictures shall appear each week for 10 weeks, and all 50 puzzle-pictures on the 11th and 12th weeks.
3. A Grand Prize of $1,500.00 will be awarded by SOCIAL JUSTICE to the contestant returning the best or most appropriate solutions to the 50 puzzle-pictures and otherwise complying with the rules. Contestants submitting the next best or most appropriate solutions shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in ten cents in coin (not stamps) with each pair of puzzle-picture solutions, or a total of $2.50. The entire $2.50 may be sent in one remittance. For these remittances the contestant shall have the privilege of having SOCIAL JUSTICE Magazine sent for four months without cost to any person designated by the contestant.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for coupons arriving unduly late or lost in the mails. By entering the contest the contestant agrees to accept as final the decisions of the judges as to procedure and final outcome.
6. Should one or more ties arise, a number of prizes will be withheld equal to the number of contestants tied. Such ties will be broken by tied contestants, upon notification, submitting ideas and suggestions for puzzle-pictures similar to but not identical with those of the contest. These will be judged by the editorial and art staffs of SOCIAL JUSTICE Magazine on the basis of clarity, accuracy to subject-matter and puzzleization, and prizes awarded accordingly. In event of final ties duplicate prizes will be awarded.
7. Do not decorate coupons. Neatness will NOT count.
8. Any inquiry, the reply to which could not affect outcome of the contest, will be acknowledged.
9. A contestant may submit only one set of solutions.
10. The publisher reserves the right to increase the cash amount of prizes or to offer bonuses for promptness during progress of the contest.

ENTERED, OR ENTERING, USE THIS COUPON NOW

If entering this week, return with 50c. If already entered, return with 10c. You may pay in full, $2.50, if you wish. Place number of your selected title in proper square.
DO NOT REPEAT FORMER SOLUTIONS

Ques. No. 1 ☐ Ques. No. 3 ☐ Ques. No. 5 ☐ Ques. No. 7 ☐ Ques. No. 9 ☐
Ques. No. 2 ☐ Ques. No. 4 ☐ Ques. No. 6 ☐ Ques. No. 8 ☐ Ques. No. 10 ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

HAND THIS COUPON TO A FRIEND

If entering this week, return with 50c. If already entered, return with 10c. You may pay in full, $2.50, if you wish. Place number of your selected title in proper square.
DO NOT REPEAT FORMER SOLUTIONS

Ques. No. 1 ☐ Ques. No. 3 ☐ Ques. No. 5 ☐ Ques. No. 7 ☐ Ques. No. 9 ☐
Ques. No. 2 ☐ Ques. No. 4 ☐ Ques. No. 6 ☐ Ques. No. 8 ☐ Ques. No. 10 ☐

*Name*_____

*Address*_____

*Town or City*_____ *State*_____

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Christ vs. Karl Marx—No. 4

HOW WILL Socialism or Communism be achieved?

That question introduces us into the phase of Marxian doctrines well described by Engels and Marx, and latterly by Lenin, under the caption of the "withering away of the State."

There are four phases associated with this decay of the State:

(1) The State is the product of irreconcilable class entanglement;

(2) The special bodies of armed men, prisons, etc., within the State;

(3) The State as an instrument of exploitation of the oppressed;

(4) Finally, the withering away of the State amidst violent revolution.

First, the State is the product of irreconcilable class entanglement: In the sixth edition (1894) of Engels' work —*"The Origin of the Family, Private Property, and the State"*— there appears the following paragraph:

"The state is therefore by no means a power imposed on society from the outside; just as little is it 'the reality of the moral idea,' 'the image and reality of reason,' as Hegel asserts. Rather, it is a product of society at a certain stage of development; it is the admission that this society has become entangled in an insoluble contradiction with itself, that it is cleft into irreconcilable antagonisms, which it is powerless to dispel. But in order that these antagonisms, classes with conflicting economic interests, might not consume themselves and society in sterile struggle, a power apparently standing above society became necessary for the purpose of moderating the conflict and keeping it within the bounds of 'order'; and this power, arising out of society, but placing itself above it, and increasingly alienating itself from it, is the state."

The ideas in the above paragraph are shared by Engel with Marx. It is evident that both regard the State not as a benign, freely chosen, representative government of the people. On the contrary, while all states definitely advertise they are governments of the people, by the people, for the people, they are in reality nothing more than legalized groups of exploiters, marauders, gangsters who, through the abuses of constitutions, have risen to the top where they misinterpret the constitution and, in its name, write laws which in reality are contrary to the constitution. All of this is accomplished to sustain themselves in their grafting, class favoritism, positions.

The above paragraph and its interpretative sequence express the basic idea of Marxism on the question of the historical role and meaning of the State. The word "irreconcilable" must be borne in mind at all times if one wishes to understand the viewpoint of the Marxists. The various classes in the State—the ruling class and the ruled class—are irreconcilable and the mere existence of the modern State proves class antagonisms are irreconcilable.

According to Marx the State neither could arise nor continue to exist if it were possible to conciliate classes. Nor, according to his viewpoint, is the modern State a corporate State in which each class cooperates with the other for the welfare of each and for the common good. It is the case where all the lower classes are nothing more than slaves of the upper class—the financial class.

Editorially, may we insert a thought of our own: Much of what Engels wrote and Marx taught about the State is admitted. Many of the abuses they signaled out are recognized. May we warn you, however, without further explanation at the moment, that their remedies are unsound.

* * *

Second, the special bodies of armed men, prisons, etc.: On this point Engels states:

"As against the ancient *gentile* organization, the primary distinguishing feature of the state is the division of the subjects of the state *according to territory*.

". . . The second is the establishment of a *public* power, which is no longer directly identical with the population organizing itself as an armed power. This special public power is necessary, because a self-acting armed organization of the population has become impossible since the cleavage into classes . . . This public power exists in every state; it consists not merely of armed men, but of material appendages, prisons and coercive institutions of all kinds, of which gentile society knew nothing . . ."

From the above quotation it appears Engels is opposed to prisons, police, etc. His opposition, to be truthful, is opposed to these institutions because they are the servants of the exploiting classes and not of the common people. He is opposed to them not because the common people obey the law which they love but the law which they fear.

Like all great revolutionary thinkers, Engels tried to draw the attention of the class conscious workers to the very fact that society is held together by petrified prejudices which are regarded as sanctified in the minds of the ruled.

He did attempt to analyze the question: "Whence rose the need for special bodies of armed men?" He indicates his answer by getting back to the original thesis of class conflict. The "haves," or the rulers, possess ingenuity, factories and wealth in such quantity to build prisons, purchase armaments, hire policemen. And, in turn, by indirect methods, the cost of this apparatus of power is imposed upon the populace through taxation.

Again, we inject an editorial thought to the effect that what is expressed in the above paragraphs is not necessarily new; not necessarily the origination of a Marxian mind. All these things have been expressed even in clearer language in the gospels and in the encyclicals. At the appropriate time these thoughts will be exhibited.

* * *

Third, the State is an instrument for class exploitation. This third point is evolved from the preceding point. Exploitation of the people by the state and the darlings of the state is executed through taxation and loans. The words "loans" might better be expressed by the word "credit money."

Engels says:

". . . Possessing the public power and the right to exact taxes, the officials now exist as organs of society standing *above* society. The free, voluntary respect which was accorded to the organs of the gentile organization does not satisfy them, even if they could have it."

At this point we might pause to observe that Engels insists upon calling the organized state a *gentile* organization thereby exempting the Jews from any culpability.

Be that as it may, he says: "the shabbiest police servant has more authority than all the representatives of the tribe put together" and he infers that, backed up by this police power, the State taxes the people to death by cooperating with those who make loans to the State.

In another passage he says:

". . . the contemporary representative state is an instrument of exploitation of wage-labour by capital. By way of exception, however, periods occur when the warring classes are so nearly balanced that the state power, ostensibly appearing as a mediator, acquires, for the moment, a certain independence in relation to both . . ."

Such, for instance, were the absolute monarchies of the seventeenth and eighteenth centuries — the Bonapartism of the First and Second Empire in France and the Bismarck regime in Germany.

We might add that the 1917 Kerensky government in Republican Russia was more or less a balance between the exploiters and the exploited. It was neither fish nor flesh. It was both.

* * *

Engels continued by saying "wealth wields its power indirectly, but all the more effectively, first, by means of the direct corruption of the officials (as in America); by means of the alliance between the government and the stock exchange" (France and America).

May we interpose this thought: Our present alliance with the Soviet Union is established on quicksand. The essential concept motivating the Soviet Union is one diametrically opposed to the essential concept motivating America at the moment—America issuing billions upon billions of dollars of bonds which represent so many billions of taxes imposed upon the people to be paid back to the Government which, in turn, will pay back the Federal Reserve Banks whence money was borrowed at interest.

At the present time, imperialism and the domination of the banks have developed both these methods of defending and asserting the omnipotence of wealth in democratic republics of all descriptions. For instance, in the first months of the Russian democratic republic—during the honeymoon of the "Socialist S.R.'s and the Mensheviks with the *bourgeoisie*—Mr. Palchinsky, in the coalition government, obstructed every measure intended for the purpose of restraining the capitalists and their marauding practices.

When Palchinsky resigned he was replaced by another "Palchinsky." But the capitalists rewarded the first Palchinsky with a fine job at 120,000 roubles a year.

Of course, in the above observation, we have gone beyond Engels. It is an observation set down by Michael Oakeshott, who is recognized as one of the fine analysts of our time.

Marxists all teach that the omnipotence of wealth is more secure in a democratic republic since it does not depend only on the faulty, political shell of capitalism itself. In a democratic republic the capitalists are able to corrupt the minds of politicians who, as a rule, are not the most exemplary persons in the republic.

(Continued on Page 13)

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Comment

(Continued from Page 12)

In the above manner the ruling class exploit the people, according to Marxian doctrine.

* * *

Fourth, the withering away of the State: Engels' words regarding the withering away of the State are so widely known that they should be dealt with in detail. Below we imprint, therefore, the entire passage which all persons acquainted with communistic doctrines know at their finger tips.

Says Engels:

"The proletarian seizes the state power and transforms the means of production in the first instance into state property. But in doing this, it puts an end to itself as the proletariat, it puts an end to all class differences and class antagonisms, it puts an end also to the state as the state. Former society, moving in class antagonisms, had need of the state, that is, an organization of the exploiting class, at each period for the maintenance of its external conditions of production; that is, therefore, for the forcible holding down of the exploited class in the conditions of oppression (slavery, villeinage or serfdom, wage-labour) determined by the existing mode of production. The state was the official representative of society as a whole, its embodiment in a visible corporation; but it was this only in so far as it was the state of that class which itself, in its epoch, represented society as a whole: in ancient times, the state of the slave-owning citizens; in the Middle Ages, of the feudal nobility; in our epoch, of the *bourgeoisie*. When ultimately it becomes really representative of society as a whole, it makes itself superfluous. As soon as there is no longer any class of society to be held in subjection; as soon as, along with class domination and the struggle for individual existence based on the former anarchy of production, the collisions and excesses arising from these have also been abolished, there is nothing more to be repressed, which would make a special repressive force, a state, necessary. The first act in which the state really comes forward as the representative of society as a whole—the taking possession of the means of production in the name of society—is at the same time its last independent act as a state. The interference of the state power in social relations becomes superfluous in one sphere after another, and then ceases of itself. The government of persons is replaced by the administration of things and the direction of the process of production. The state is not 'abolished,' it *withers away*. It is from this standpoint that we must appraise the phrase 'free people's state'—both its justification at times for agitational purposes, and its ultimate scientific inadequacy—and also the demand of the so-called anarchists that the state should be abolished overnight."

Only one point of this Engels' passage has become a substantial part of socialist thought among modern socialist parties. According to Engels the State *withers away*. The socialists adopt the "withering away" theory as distinct from the anarchists who adopt the "abolition of the State through force" theory.

The "withering away" theory means that the exploited should wait for the exploiters to destroy themselves. Engels infers that if the exploited oppose the exploiters by violence, the exploited themselves will be liquidated or, at least, will be harnessed in a slavery more secure.

The point is that Engels desires to rid society of the exploiting classes. His opponents inside Marxism desire to employ violent means to accomplish the same end. Considerable discussion has arisen in the minds of observers on the factuality of the above distinction; for they remember that Engels spoke of the abolition of the *Bourgeoisie* State by the proletarian revolution; and they maintain that the words about "withering away" refer only to the remnants of the proletarian state after the revolution.

To our mind, we lean to the latter interpretation. We recall the story of the Soviet Union following, particularly, 1920. Following the revolution of 1917—a violent revolution—the opponents of Communism who survived withered away, particularly, in the sector of children when religion, for example, was denied them.

It is evident that the substitution of the Proletarian State for the *Bourgeoisie* State is impossible without a violent revolution. The abolition of the Proletarian State, which takes the place of the *bourgeoisie,* happens through the process of "withering away."

* * *

In a following article we will pursue the discussion of the Marxist theory.

Bearin mind, however, that by our setting down the above analysis, it does not mean that SOCIAL JUSTICE approves the Marxian methods and remedies for the reconstruction of society.

New York Times Foreign Correspondent and Japan

HALLETT ABEND is an outstanding authority on the Far Eastern situation. *New York Times* correspondent in Japan from 1927 to 1941, he is supposed to be well acquainted with the Eastern situation.

The *Reader's Digest* quotes him as follows:

"Yet it must be admitted that Japanese imperialism menaces our future in the Pacific. It mortgages our productive energy by keeping us in a constant ferment of two-ocean preparedness. Unless Japan's wings are clipped, the United States, as well as every other nation in the Pacific, will be permanently committed to huge outlays of men and money in preparation for an inevitable clash with Nippon.

"Japan's belligerency is apparent. Already she is training Koreans, Manchurians and the inhabitants of central China as Japanese soldiers. Given another decade of success Japan could—and would—marshal a colossal army for action against the Philippines and possibly Alaska.

"Should we, then, carry the fight to Japan now, thereby taking the step that European democracies should have taken to scotch Hitler in 1932?

"One argument for doing so is that Japan is at present extremely vulnerable. She is gravely over-extended in China and has already lost 1,500,000 men, killed or wounded. Our freezing of Japanese credits, our cessation of oil and steel exports, and our refusal to buy Japanese silk are strangling Japanese economy. Her internal finances are in ruins. Today, Japan would be unable to cope with a strong, all-out challenge by the democracies."

* * *

Like many foreign correspondents, Mr. Abend is talking through his hat. Unconsciously, however, he admits what the United States did to Japan before Japan descended upon Pearl Harbor. He admits we froze Japanese credits; we cut off Japan's supply of oil and steel; we refused to buy Japan's silk; we strangled Japan's economy. In a word, he admits the United States was engaged in a white war against Japan before Japan became engaged in a blood red war against us.

Were SOCIAL JUSTICE Magazine to make such charges as appear in the January, 1942, issue of *Reader's Digest,* reprisals would be demanded.

It is noteworthy to record what Mr. Abend says of Duff Cooper, the British political co-ordinator in the Far East. Duff Cooper, who has been wrong so often that one marvels when he is right, said:

"Now that we have achieved preparedness, the sooner the Japanese menace is wiped out, the better for all concerned."

The above statement was made prior to the Washington conference between the Japanese plenipotentiaries and Secretary of State Cordell Hull. It is an expression that might is right, viewed in the abstract. In the concrete, it is the braying of the jackass in so far as it announces, "now that we have achieved preparedness."

All in all, Mr. Abend, in supporting the Duff Cooper statement and in setting down the observations above recorded, does no honor to any foreign correspondent, particularly when lay persons 6,000 miles distant from Japan were insistent four years ago that "if war for America, it will break out in the Orient."

No Bonds at Capitol

WITH postoffices, banks, stores, and even newsboys, all over the nation selling defense bonds and stamps, one would assume that in the national Capitol a busy Government clerk could walk across the hall and buy a bond or stamp just as easily as he could get a drink of water.

But such is not the case.

Representative Fred Bradley of Michigan called it to the attention of the House.

"It may come as a shock to some of the members to know that you cannot buy a defense bond in the Capitol of the United States," he said.

"Despite the fact that we have in some instances been rather brusque in our demands on bankers and others to sell defense bonds," Mr. Bradley asserted, "nevertheless the fact remains that you cannot buy defense bonds in the Capitol of the United States of America."

The Michigan Congressman declared that 1,500 employes in the Capitol building "have to ask permission to leave their duty and go uptown to the postoffice, or some bank uptown, in order to invest their funds in defense."

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Comment

The Pope's New Order

IN A traditional Christmas Eve message to the world Pope Pius XII enunciated five basic principles which all mankind must observe, he said, to "guarantee for all peoples a just and lasting peace."

The five points for the "new order" were established on broad moral principles. They demanded a post-war halt to offensive arming; a "bill of rights" for the little man, the little nation, and the little minority.

The Pontiff demanded there must be no more place for:

(a) Any kind of aggression;

(b) Oppression of minorities;

(c) Designing nations seeking a monopoly on economic wealth;

(d) Total war or armaments races;

(e) Persecution directed against religious sects or churches because faith "is one of the rights of mankind."

In his true role as Pope, Pius XII was factual when he impressed upon the world its inability to realize these ideals unless there is a return to the principles and practices of Christianity.

This return means a breach with the prophets of "a new religion without a soul; or a soul without religion; or a mask of dead Christianity without the spirit of Christ."

The preceding paragraph reminds us of a passage Pius XI incorporated in his *"Quadragesimo Anno."*

After pointing out the abuses of modern capitalism and Marxian socialism; after suggesting the proper remedies for the reconstruction of society, Pius XII's predecessor stressed the point that social reform was impossible unless, first, the principles of charity and Christian justice were practiced in the lives of men.

In other words, both Pontiffs entertained no solid hope for the successful molding of any new order unless (1) those who oppose Christianity; (2) unless those who are not Christians; and (3) unless those who are hypocritical Christians accept Christianity's principles of justice and charity and practice them in their personal and social lives.

No greater task ever confronted Christian leaders and Christian citizens than this which our times present.

Catholics, particularly, should appreciate the magnitude of the task confronting them. If their spiritual leadership is accepted in practice as well as in theory, there is not a Catholic citizen in any country in the world who is free to continue living as he lived in the bygone yesterdays.

On the contrary, there is imposed upon him the task of living better—more Christ-like—than he ever contemplated doing. It is his duty to let his light shine before men in a manner never hitherto attempted. As much as he hates war and the causes of war, he should fear the future and the horrors of the future which war's aftermath will unfold unless he succeeds in implanting the seeds of Christian charity and justice in the hearts of his non-Christian fellow citizens.

Politicians will seize the Christmas Papal pronouncement as an argument against their enemies. The Axis powers will employ it against the Allies; the Allies will employ it against the Axis powers—and all this without justification.

Pius XII condemned aggression and oppression of minorities as far as the Axis powers are concerned. Just as forcefully, he condemned the monopoly of economic wealth as far as the Allies are concerned.

These points are not to be stressed by partisans who would, if they were able, make a partisan of His Holiness.

Many of us are impressed with the activities of the union-nowists who are interested in funding the resources — material and political—of two great so-called Christian nations.

If Pius XII's words are accepted as those of the greatest living spiritual leader, their authority behooves us to set to work on a program of union-nowism for the dismembered churches of Christianity. That project is more important than the one restricted to political and material union-nowism.

It is possible for the hundreds of sectors of Christianity to wipe out their differences, to amalgamate their forces, to unify their leadership. And what is possible should be accomplished immediately.

Great Britain and the United States, although both proponents and practitioners of democracy; though both professing sovereign independence, nevertheless, submerged their differences and substantial distinctions as a result of the memorable meeting at the White House Christmas Day, 1941.

What politicians can do, religionists can accomplish.

Therefore, SOCIAL JUSTICE humbly suggests a convocation of the world's leading Christian religionists for the world's most important step back to Christ.

Msgr. Fulton Sheen

MSGR. FULTON SHEEN recently addressed an audience of some 1,500 persons at St. Johns College, Brooklyn.

An account of his address was carried in the New York *Herald Tribune* (Dec. 15).

Reported the *Herald Tribune*:

"Monsignor Sheen said it was the duty of every Catholic to respect the authority of the state no matter where it might be invested, and quoted the words of Jesus Christ and the encyclicals of the late Pope Pius XI to show that this is a fundamental doctrine of the church."

Possibly, the *Herald Tribune* account is incomplete and failed to draw the necessary distinctions.

Msgr. Sheen, surely, would not condemn the Spaniards who joined the Franco forces against the invested authority of the day, nor would he condemn John Carroll of Carrollton for risking his life and fortune to uphold the rebel, George Washington. Moreover, the Monsignor would not indulge in hair-splitting to such a degree he would cancel out all relationship between Communism and Josef Stalin's Soviet Union.

This latter remark inclines us to ask how a Catholic or Christian living in so-called Russia today could support Stalin's regime in its aggressions against Latvia, Lithuania, Esthonia, Finland, Poland — in the entire world?

It is bad enough for us to soft-pedal our collaboration with the Communist government of the Soviet Union to the extent we bestow a billion-dollar gift upon it, and send it bombers and materials sadly needed at Manila and elsewhere. But there is no need of our soft-pedaling the moral principle set down so clearly by Pius XI to the effect that no one may co-operate with Communism in any manner whatsoever because it is intrinsically wrong.

These past two weeks have witnessed that principle backed into the dog-house so far that it is no longer polite to pretend it exists.

Unfortunately, too many moralists are whistling the tune of *"Annie Doesn't Live Here Anymore."*

A Suggestion for Guarding Our Liberties

IT IS OF historic note that liberties surrendered must be recaptured. There is no guarantee of their automatic restoration in full with the end of hostilities; for emergency powers have a habit of surviving the emergency for which they are assumed or delegated.

We have been warned repeatedly of the dark days ahead and of the sacrifices which must be faced and made by us in seeking to restore to the earth "the four freedoms."

We are faced with the prospect of restrictions upon our activities and pursuits. Regulation of our daily lives is in prospect and recent cries of "regimentation" will give way to quiescent acceptance of the sumptuary restrictions of Caesar's time.

Since "Eternal vigilance is the price of liberty," let us be vigilant. Therefore, we suggest the formation of an association known as the Association for the Restoration of American Liberties. The war-time activity of the association will be the cataloguing of every peace-time power assumed or surrendered in the conduct of our defense or war program and policies, to the end that upon the cessation of hostilities there will be an active agency in existence and operation through whose medium a campaign for full restoration of all constitutional rights and privileges might be carried on. Members of the association would be furnished with pertinent data and the nation would be kept advised through constant publicity of all steps that are taken which might fall within the scope of the association's activities.

This association must appeal to all classes. Anyone who objects to a vigilant campaign to protect the American way of life in peacetime and to restore fundamental liberties essential to peacetime pursuits would be unworthy of the name American.

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Comment

Is Lease-Lend Sound War Policy?

NOW THAT America is actually in war, and no longer plays the role of bystander merely supplying the sinews of war, Government officials owe it to the taxpayers to institute a study to ascertain whether the present lease-lend system of provisioning foreign countries is efficient and to the best interests of America in wartime.

Under the present set-up, America is not only doing a major share of the fighting, and paying for her own war effort, but is financing all the Allies as well.

The cost of our individual defense effort will be a tremendous burden in itself, but when the costs of British, Chinese, Soviet Union and other war programs are added, the effect will be doubly serious.

The United States cannot expect to pay for the wars of nations all over the globe —even though they be our Allies—without suffering a severe economic shock from which we may never recover.

Although there have been persistent inquiries in Congress, and demands from various business groups, for some enlightenment regarding our lease-lend policy and post-war agreements with Britain, little definite information has been forthcoming.

All that is known is that President Roosevelt said there would be an exchange of goods in kind for the $13-billion already given to Britain. But the House of Commons was told by a British government spokesman that Great Britain was not contracting a debt by virtue of lease-lend operations. That surely lends credence to the belief that neither the United States Government nor the British government considers lease-lend supplies as anything but a gift, free of ultimate obligation to repay.

* * *

Although the British are thus receiving materials from America, they are getting cash payment for what they send Soviet Russia.

Representative Robert Jones of Ohio points out that England has made an agreement with the U.S.S.R. providing for British aid in return for sterling. He says:

"We call it cash, and for every dollar's worth of bombers England sends Russia, she gets a dollar for it."

As Mr. Jones sees it, England is collecting in dollars from the Soviet on material sent from America under the *Lend-Lease Act*. Thus American taxpayers are supplying both Britain and the Soviet, free of charge, while Britain is making a profit on the materials we send her gratis.

"The Administration propaganda agencies divert our thoughts to other channels so we Americans are not supposed to think such unpatriotic thoughts about repayment," declared the Ohio congressman. "But not jolly old England. She gets dollars and has no lease-lend bill from Russia. Here is my analysis of the Administration's lease-lend diplomacy. The figures in the statement are mine, but the method of operation is the Administration's.

"We give England bombers and materials made with our toil and sweat. England puts them in her common defense pile. England delivers bombers and material from this defense pile to Russia via the dollar-value cash agreement. For all practical purposes, she might just as well sell our bombers and material to Russia; because we must give England that much more to keep the pile at the same all-out level. Therefore, I may say simply: we give England bombers and material made with our toil and sweat. England delivers them to Russia via the dollar-value agreement. The British treasury gets the dollars. The United States Treasury is gutted in a two-way split to Russia and England.

"Here is the way $2-billion worth of aid to Russia would look in the books of the United States and the British treasuries:

U. S. TREASURY

War Aid Receipts	$0,000,000,000
Deficit:	
Lease-Lend to Russia	$1,000,000,000
Lease-Lend to Britain	$1,000,000,000
Total deficit	$2,000,000,000

BRITISH TREASURY

Receipts:	
Lease-Lend bombers from U.S.A.	$1,000,000,000
Sterling received from British aid to Russia (Anglo-Russian Agreement of Aug. 16, 1941	$1,000,000,000
	$2,000,000,000
Disbursements to Russia	$1,000,000,000
Balance	$1,000,000,000

"Every billion dollar gift represents $7 debt for each man, woman and child in America. Of course the Administration says it is unpatriotic to think of such a thing, but that is the way it is."

How Well Is Japan 'Fixed'?

BEFORE the outbreak of hostilities between the United States and Japan, some economic writers indicated their belief that Japan would be committing national *harikari* by engaging America in war.

It was their expressed opinion that the United States could force the Japs to their knees without much combat, simply by reason of the fact that Japan no longer would be able to import from the United States various products essential to a war machine. Lacking those materials, formerly obtained from this country, Japan soon would be ravished with unemployment and a crack-up in war production, it was asserted by these "experts."

To our mind that view is one of exaggerated optimism.

Unquestionably, the United States excels Nippon both in natural resources and productive facilities, but it is not reasonable to assume that the Japs would launch an attack against this nation if their resources were so meager as to invite easy defeat.

Surely the Japanese must know their own economic condition quite as well, or better, than some of these American writers profess to know it.

No doubt our economic blockade of Japan will hurt. No longer are the Japs receiving American steel, scrap iron, oil and other vital products. But it must be remembered that even before the shooting began, Japan had been deprived of 75 per cent of her normal imports by the blockade imposed by the Allies. Yet she was able to continue her war in China — and embark on another against the United States and Great Britain.

The fact that the four-year struggle with China has forced Japan to salvage scrap iron from fence posts, sunken warships, kitchen utensils and other items, and bar the use of gasoline for private purposes, indicates that she is probably hard put. But it has all been good practice for the rigorous regimen of all-out war.

Without the supplies of cotton, oil, rubber, copper and dozens of other products formerly purchased from the nations with which she is now at war, Japan's situation appears hopeless to many of those who forget that Germany also was not expected to last long because of the same deficiencies. But Germany either gets the needed materials or does very well without them.

Judging by developments in the far Pacific, Japan believes she can capture the rich Asiatic sources of strategic materials before her present stock piles are depleted. Otherwise she would not have unleashed her bold attack against America.

These considerations lead us to the conclusion that, unfortunately, Japan will not be a "pushover." American forces would have a much more difficult time invading the Land of the Rising Sun than Germany would have invading Britain. The distances involved in Europe are nothing compared to those we face in the Orient. Furthermore, cutting Japan's communications with the mainland of China would be a sizeable task, since a comparatively small section of the Japanese navy should be able to patrol the China Sea route from Japan to the mainland.

Apparently, the only way we can fight Japan effectively with a possibility of knocking her out of the war quickly, is to gain a foothold on the Siberian coast and, perhaps, along the border of Manchukuo. Otherwise, we shall be forced to send land troops and supplies via Singapore and Rangoon — if they can hold out against Japanese attack —over the Burma Road and into the interior of China, establishing that country as a battleground to crush the Japanese armies.

Prior to the outbreak of war, we were sending planes and pilots to guard the Burma Road, which indicates that American military strategists may have had that in mind.

Col. Frank Knox—Again

AMERICA vibrates to the heroism exemplified by the marines stationed on Wake Island. At this writing this suicide squad has battled for two weeks against uneven odds. The Navy Department, as far as the people know, has sent no aid to these young men.

Meanwhile, Admiral Husband E. Kimmel and two army generals in charge of the American forces which were not on the alert against the surprise attack of Hawaii, December 7th, have been relieved of their commands.

The United Press says: "It appeared foregone that the shake-up was sanctioned—if not ordered—by President Roosevelt in his constitutional role as Commander-in-Chief of the armed forces."

Has President Roosevelt gone far enough? According to the popular mind, Secretary of the Navy Knox is still regarded as sharing in responsibility for the body blow this nation received at Pearl Harbor.

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Letters

SOCIAL JUSTICE aims to make this page a free forum and readers' opinions are invited. Naturally the views expressed are not always those of this magazine. We cannot guarantee that contributions sent to SOCIAL JUSTICE can be returned to the writers. Letters not signed with the writer's name and address cannot be considered, although the name will not necessarily be used. We reserve the right to publish all letters received unless contrary instruction is specifically given.

One Who Stuck

TO THE EDITOR:

Permit me to elaborate on a letter in the Dec. 15th issue, by "T.F." of New York City. He charges that 27-million "panhandlers," employed by us in the Government, are the cause of the tragic situation in which we now find ourselves.

I believe he has the wrong slant. Those 27-million voters, as he says, put their meal ticket back in office; but last year, we had no candidate. It was in 1936 when we really tossed our big chance to the winds.

The 27-million "panhandlers" as the writer calls them, cannot be blamed. It is the remaining—and deciding—voters who should bow their heads.

The greatest American of our generation was miserably castigated. Now, as the drama of war unfolds, Father Coughlin could boast of the vast audience he had. But did even he have unity? They would listen, but not believe.

So here we are coming to our predicted goal. Oh yes, there will be plenty of sobbing, including myself; but I have a right to—I was one of the few who stuck!

—H.H.

Cleveland, Ohio

Gold Is the 'Key'

TO THE EDITOR:

As President Wilson has so ably put it:

"We do not need less criticism in time of war, but more;" also, "we do not lose our right to condemn either men or measures because the country is at war, but it is hoped that criticism will be constructive," and, "better an unfair attack than autocratic oppression. Honesty and competence require no shield of secrecy."

In that spirit this answer to your recent comment on "Hitler's Peace Offer" is forthcoming.

I have read *"Mein Kampf"* several times—and I do not mean the one composed by Dorothy Thompson, either.

The fact remains that you and I as good Christians should at least get this fight for world domination straight in our heads. This total, all-inclusive, World War No. 2 can be regarded as a struggle as to whether Christianity is to live or perish — golden calf worship vs. economic justice.

When Germany set up the barter dollar as a medium of exchange making the gold-backed debt-dollar unnecessary, and when Hitler took the Reichsbank out of the hands of the Rothschild family, he became the "greatest horror on earth." For this reason, no peace offer by Hitler will be entertained by the gold nations.

—An Ex-Banker

Modesto, Calif.

Swords for Plowshares

TO THE EDITOR:

Permit me to call readers' attention to the tragic "revenge" the New Deal politicians are pressing upon the farmers of "Sauk Prairie," in Wisconsin.

These farmers are largely of German extraction, and most of them have lived here all their lives. Some of them claim farms that have been 100 years in the possession of the same family.

It is a continuing mystery that perhaps only postwar history will ever solve as to why certain sites came to be chosen for army camps or war plants.

Since the "Sauk Prairie" is one of Wisconsin's most fertile regions, it is rather puzzling that the Government should tell these farmers to vacate in order to build a $65-million powder plant in the area.

Of all the land in the Middle West, equally suitable for a powder reservation, why must we condemn our best farm land — and evict farm citizens whose ancestors happened to be German?

—Mrs. H. I.

Pope's Words Best Guide To What He Meant

TO THE EDITOR:

The time is at hand when Christian leaders will have to make a final decision between Christ or Caesar. The time is not far distant when Christians may not carry water on both shoulders; they are either going to carry holy water or "Soviet opium" (a rifle).

Let them heed the warning of their own Pius XI: "Those who permit themselves to be deceived into lending their aid towards the triumph of Communism in their own country, will be the first to fall victims of their error."

Let it be recalled that Pius XI gave us full information on this point and no confusion need arise. You will discover when reading his famous encyclical that he very frequently associated Communism with Russia. Here are two of the expressions: "Russian Communism" . . . and . . . "when Our relief mission returned from the Soviet Union We condemned Communism in a special Allocution which we addressed to the whole world . . ."

Pius XI did give the highly technical definition of Communism which those who would split hairs are sometimes willing to stop at; but, he also gave a practical definition of Communism, and the latter he used almost throughout the entire encyclical.

Let us take the technical term first: He said Communism was "intrinsically wrong," meaning by nature it was impossible for it to produce good.

Again, the Pontiff said: "It (Communism) is in opposition both to reason and to divine revelation" . . . "Communism has not been able, and will not be able, to achieve its objectives even in the merely economic sphere."

Those who may be carried away by a technical definition should remember that the Holy Father also defined the practical one: "We wish to expose once more . . . the principles of atheistic Communism as they are chiefly manifested in Bolshevism." It is clear that Pius XI here used the word Communism in its practical manner and not in the technical term.

He said further: "It is no part of Our intention to condemn *en masse* the peoples of the Soviet Union."

The hair-splitters make the mistake of limiting their quotations from His Holiness. His own words would seem to be the best guide as to what the Pope meant.

Will you permit me, at the risk of undue length to quote more of them:

"The Catholic who does not live really and sincerely according to the Faith . . . will not be master of himself when the winds of strife and persecution blow fiercely, but will be swept away defenseless in this new deluge which threatens the world. And thus, while he is preparing his own ruin, he is exposing to ridicule the very name Christian.

"There are some even who will refer to certain changes recently introduced into Soviet legislation as a proof that Communism is about to abandon its program against God.

"See to it, Venerable Brethern, that the faithful do not allow themselves to be deceived! Communism is intrinsically wrong and no one who would save Christian civilization may collaborate with it in any manner whatsoever.

"No man of good sense, nor any statesman conscious of his responsibility, can fail to shudder at the thought that what is happening today . . . may, perhaps, be repeated tomorrow in civilized countries.

"We trust those rulers of nations, who are aware of the extreme danger threatening every people today, may be more and more convinced of their supreme duty not to hinder the Church in the fulfillment of her mission . . . while this mission has in view man's happiness in heaven . . .

"While the promises of the false prophets of this earth melt away in blood and tears, the great apocalyptic prophecy of the Redeemer shines forth in heavenly splendor, *'Behold, I make all things new.'*

"Given at Rome, March 19, 1937 . . . Pius XI."

—J.C.

A Bitter Trap

TO THE EDITOR:

I think it is just about time that someone, whose reputation is big enough to command respect, indicted the subversive "Committee to Defend America by Aiding the Allies."

Our Pacific forces now battling for their lives in the Philippines could use every one of those destroyers, long-range torpedo bombers, tanker supply ships, and what not that we have given away to England, Soviet Russia, Greece, *et al.*

What a trap we walked into; all of our equipment in Europe and the damned Japs hacking at our tail!

—C.W.M., Jr.

Paterson, N. J.

Answering Dorothy

TO THE EDITOR:

Dorothy Thompson needs no advertising; but some of her recent remarks call loudly for comment. I quote four of them.

No. 1—Dorothy says: "Lindbergh intends to emerge as America's saviour."

Suffice it to say that, as things are, America will certainly need one. If Lindbergh can remake democracy out of what we have left, much less what will remain two years from now, he will be the genius of the ages. Success to him!

No. 2—Dorothy says: "Lindbergh intends to be President of the United States."

Worse things than that could happen—and have. We are glad of any assurance that there will still be a President in the United States after 1944.

No. 3—Dorothy says: "Lindbergh hates the present democratic system."

If she would consent to omit that one word "democratic," her sentence would take on a semblance of truth. Bolshevism is Dorothy's idea of "democracy"; that has long been clear to American newspaper readers.

No. 4. Ditto: "Lindbergh intends to remake democracy."

Some of us who were born into the old-time democracy will devoutly praise Lindbergh, or any other brave soul, who attempts recovery. It will prove some job to revamp the crippled industries of our land; recover from the orgy of extravagant spending; quiet the class hatreds that will have been excited; patch up our war-torn land; stay the encroachments of Communism; and restore democratic government to the people of America

—W.B.R.

Minneapolis, Minn.

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Comment

What Is Our Foreign Policy?

(Continued from Page 3)

and the Far East, in what amounts to an all-out program of world conquest."

In the preceding quotation Stuart Chase and the *Digest* accomplished a literary bull's eye. Recollect how the *Atlantic Charter* committed us to an indefinite period of policemanship over the entire world. This means that, following the war, our Army and Navy will be obliged to enforce international capitalism and British imperialism upon the millions of Indians, to subjugate Josef Stalin's Communists, to wipe out Adolf Hitler's Nazis, to trample under foot Mussolini's Fascists, to extirpate Francisco Franco's Corporate Staters.

The Socratic conceivers of this New Deal meanwhile, forget the hoary adage which tells us you can kill a man but you can't kill an idea. Apart from that, we, a peace-loving nation, will become a military nation much after the fashion of ancient Rome who trained her young men to become perfectionists in the fine art of murder. That is a horrible future for the youth of America.

Nevertheless, it is the concretion of our advertised foreign policy.

* * *

To date, the promulgators of that policy have talked a magnificent war and fought a bad one.

Evidences to corroborate that statement are Pearl Harbor, Wake, Guam, Manila, Hongkong. And more evidences will be chronicled in days to come.

The *Digest* article, relative to that point, says:

". . . We lack the guns, tanks, planes, ammunition—without which an army can be slaughtered like sheep in a corral. We have not the metals available yet to produce the equipment, even if we had the plants. (See the excellent article in the August, 1941, *Fortune* on metal shortages.) We have not the ships to transport and supply a mass army. We shall not have a two-ocean navy until 1946. You cannot collect the raw materials, build the plants and make the stuff for a mass army overnight. It took the Germans eight years, and *they had no overseas troop transport and supply problem across 3000 miles of water.*"

Do the framers of our foreign policy entertain the fallacious hope that the Axis powers, for example, will play Rip Van Winkle in the meanwhile? Realists know our enemies are not asleep. They are more awake than are we—so much so that no Pearl Harbor, no Dunkirk as yet, has been chalked up against them. They believe in living in the present and doing for the present even to the extent of thumbing their noses at the eternal future which lies beyond the grave!

The condensed version of Stuart Chase's article confirms that statement when he says:

". . . If the Axis can continue to build the bombers—it already has bases from Narvik to Crete—the impregnability of Europe is assured. This is, of course, the chief reason why Mr. Churchill finds it impossible to invade the Continent, despite the withdrawal of most of the German army to the Russian front. If our army, navy, ships and supplies were ready, we could, perhaps, fool around the edges of conflict in Africa, Persia, India. That would not smash a German military machine supreme in Europe, presently to be supplied with much Russian raw material."

* * *

Although SOCIAL JUSTICE does not approve the foreign policy expressed by President Roosevelt in his initial Chicago speech many months ago, nor its subsequent expression as contained in the *Atlantic Charter,* there is nothing much for us to do, as good citizens, but to follow along with the hope of persuading our Government to abandon an unworkable policy based upon an unsound principle of force.

Definitely a "new order" will be established. Definitely, in the tide of human affairs, our youth attempt to wash clean the shores of our civilization—shores strewn with the dead fish of the past. This can't be done by force. If force is employed, it will be the unpleasant task of unborn babes to attempt to remove even larger and more malodorous dead fish from the shores of the future.

* * *

Charles E. Wilson, president of the General Electric Company, supports the preceding statement in an article he gave to the *American* Magazine. And Charles E. Wilson is no anti-capitalist, no red radical. He says:

"The world is experiencing a revolutionary movement of the masses. Hundreds of millions of people have been persuaded that the capitalistic system is the cause of their woes. They have sacrificed their political freedom, and are now sacrificing their lives, in the belief that dictator leaders will bring them a broader economic freedom.

"Wishful thinkers believe that if the Hitlers were destroyed the revolutionary movement would collapse. We must be more realistic. These men are merely symbols. If they met disaster new leaders, new symbols, would arise, to continue to express the frustration and the aspiration of the multitudes. There is no 'return to normalcy' ahead for the old world, whoever wins . . .

"We have tinkered and doctored our Free Enterprise System and made many improvements, but when the war began we still had 10,000,000 unemployed, mounting deficits and a huge national debt. The riddle of want in the midst of plenty had not been solved."

Readers of this publication will recognize Mr. Wilson's use of Father Coughlin's coined phrase — "want in the midst of plenty."

Sensible Americans are beginning to think.

The so-called "radical" statements appearing in SOCIAL JUSTICE are now finding expression in the world's largest magazine —the *Reader's Digest.*

The Birth of a Bond

(Continued from Page 9)

more disturbing if each group was pecuniarily interested in the success of the nation to whom its members had loaned money.

"Third: The powerful financial interests which would be connected with these loans would be tempted to use their influence through the newspapers to support the interests of the Government to which they had loaned because the value of the security would be directly affected by the result of the war. We would thus find our newspapers violently arrayed on one side or the other, each paper supporting a financial group and pecuniary interest. All of this influence would make it all the more difficult for us to maintain neutrality, as our action on various questions that would arise would affect one side or the other and powerful financial interests would be thrown into the balance.

"I am to talk over the telephone with Mr. Davidson of the Morgan Company at one o'clock, but I will have him delay final action until you have time to consider this question.

"It grieves me to be compelled to intrude any question upon you at this time, but I am sure you will pardon me for submitting a matter of such great importance.

"With assurances (etc.)

W. J. Bryan.

"P.S. Mr. Lansing calls attention to the fact that an American citizen who goes abroad and voluntarily enlists in the army of a belligerent nation loses the protection of his citizenship while so engaged, and asks why dollars, going abroad and enlisting in war, should be more protected. As we cannot prevent American citizens going abroad at their own risk, so we cannot prevent dollars going abroad at the risk of the owners, but the influence of the Government is used to prevent American citizens from doing this. Would the Government not be justified in using its influence against the enlistment of the nation's dollars in a foreign war? The Morgans say that the money would be spent here but the floating of these loans would absorb the loanable funds and might affect our ability to borrow."

Churchill Visits the White House

(Continued from Page 5)

of the dramatic meeting between Churchill and Roosevelt. If these gentlemen wish to achieve any success, the White House conference should cancel many of the mistakes identified with the *"Atlantic Charter"* conference.

Sooner or later, Americans will begin prying behind Pearl Harbor.

They will begin asking themselves why we first adopted the policy of all-out aid to Britain to the extent that we became the arsenal for democracy at the risk of becoming the target for totalitarianism.

They will begin dissecting the very word "democracy."

Finally, with a full understanding of the *"Atlantic Charter,"* they will begin to recognize our efforts are being expended to retain the *status quo* with which so many Americans are displeased.

Hitler's new order may be a bad order to the minds of many Germans; is a bad order to the minds of Americans. Nevertheless, it is a new order which assailed some of the most heinous aspects of the old order related to industry and finance.

As yet, neither Mr. Churchill nor Mr. Roosevelt has deigned to utter one word of criticism against the old order of international banking through which it was possible for a few to gain control of industry; then, of state; then, of the world itself.

For the time being, we must be patient to discover what comes from the White House conference.

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Will The President Succeed?

NOW THAT we are in this war for the duration, we are beginning to ask ourselves the vital question, "Will President Roosevelt succeed?"

There is scarcely a citizen of the United States who is apathetic towards Mr. Roosevelt. The majority are either vitally for him or vitally against him as President. In the former class are those who recognize the good he has accomplished for the poor; various groups of radicals; a large number of politicians and their appointees who live off the public treasury; racial groups; sectors of certain monopolies and industries; and many top-ranking financialists. These are with him because they like him.

Another sector of his supporters is made up of those who are with him because they fear him. This latter group includes some churchmen, some industrialists, most of the tycoons identified with communications and transportation. All this group fear the powers which the President possesses — powers conferred upon him by the various Congresses which he dominated.

His supporters who stand by him because of his golden voice and mellifluous words are a deficit rather than an asset; for their kites are flown in the current breezes — sometimes North, sometimes South.

Those who oppose the President as President — not as Commander-in-Chief — are negligible. They form a cross-section of the country and are composed of industrialists, small bankers, small businessmen, farmers, racialists and many of the white-collared gentry. There is another group in this category made up of those who think his objectives may be good but regard his methods as bad; and others who think he is fulfilling the plans of Marxism, not those of Christian social justice.

All these groups are negligible because they are in the minority.

Today, it matters not whether we were for or against President Roosevelt before December 7, 1941. What does matter is that all persons support him as Commander-in-Chief of our armed forces, following the constitutional declaration of war.

Some support him practically, wholeheartedly and "all-outedly." Others support him theoretically, half-heartedly and with some misgivings.

All that is to be expected in a country where its *Constitution* establishes a man who is head of a political party and President at one and the same time as Commander-in-Chief of its forces.

Mr. Roosevelt enjoys more power, from a material viewpoint, than any other living person. Indeed, we might qualify that by saying he enjoys more power, materially speaking, than any other person in the history of the world. Already, he has done as a war leader everything Lincoln did. Already, he has surpassed, in exercise of his powers, anything that Lincoln contemplated doing because Mr. Roosevelt holds the purse strings of the nation.

All Presidents up to date—from Washington to Hoover—had less than $2-billion to spend as they saw fit. Mr. Roosevelt has more than $15-billion under his executive thumb.

* * *

Will Mr. Roosevelt succeed, now that war has been constitutionally declared, in destroying Hitler and in implementing the ideals expressed in the *Atlantic Charter?* That is a serious question which, inferentially, *Fortune* magazine answers in its January, 1942, issue.

Fortune says:

"World War II is now in its third year, and every day its fronts widen. Yet, here, the strikes go on; the defense program and its administration are attacked by labor and management alike; and the priceless binder called national unity still eludes us. What assurance have we that this man is capable of leading the nation through a war in which our enemies, with all the devices of dictatorship at their command, are mobilizing whole continents against us? . . ."

Then, coming directly to the man himself, we read:

"Mr. Roosevelt has a phenomenal memory and a prodigious fund of information —by no means limited to politics and the navy—stored up as a result of it. Utterly fluent, he loves to deliver impromptu lectures to his visitors on a variety of subjects. And he has found this ability a useful addition to the store of his talents for handling men. One highly placed defense official who went to him recently with mind made up to resign his job and go home was treated to an hour and a quarter's discourse on international affairs, after which, with a few reassuring personal words, he was waved back to the defense desk where he still sits.

"The fact that the President has been so thoroughly soaked in political and naval history has given him a free-ranging, imaginative grasp of the world that, with the possible exception of Wilson, is unique among modern Presidents. Dakar, Iceland, the Brazilian Bulge—he has dramatized their significance to a people that for generations had been lulled by the protection of the ocean barriers.

"The President's shortcomings are as well known as his virtues. The chief of them, of course, is the one that he himself reportedly admitted after the campaign of 1936, when he remarked scornfully that he could have made a better case against himself than the Republicans did, on the ground of weak administration. Though one could hardly expect otherwise in a country that has steadfastly refused to elect a businessman to the presidency, Mr. Roosevelt is no executive in the business sense of the term . . .

"Franklin Roosevelt entertains a respect amounting almost to awe for Cordell Hull's integrity and for Henry Wallace's intellect. But however distinguished a place Mr. Wallace may occupy in the defense program and however surely he may be the President's chosen political heir, he stands in no immediate prospect of rising to a position that could remotely rival the power and prestige of the President himself. Neither, if Mr. Roosevelt can help it, will anyone else. His determination to forestall any such rivalry accounts for his stubborn refusal to appoint 'another Baruch' to head up defense production.

"Far from shrinking from the appalling complexities of governing a nation of 132-million people, the President once admitted to a friend that he wanted to be his own Secretary of State, of War, of the Navy, of Agriculture, of Labor, of Commerce — wanted in fact to run the entire administrative show except for Interior and Justice. He has now made it abundantly plain that he is and intends to remain his own Secretary of Munitions despite his clear lack of experience or even of interest in the problems and processes of production . . ."

* * *

Having recited these characteristics, *Fortune* places its editorial finger upon a tender spot. We read:

". . . Since the death of Louis Howe, Mr. Roosevelt has been without a no-man. Harry Hopkins, the President's current closest confidant, appears to be simply a second Colonel House, a well-loved companion and listener, valuable investigator and do-man. He senses the things the Boss does or does not want to do and encourages him accordingly. But if, like Colonel House, Hopkins grew suspect of becoming too influential in his own right, he would doubtless promptly join the company of Raymond Moley, Hugh Johnson, Lew Douglas, and others who by crossing the President in some fashion were banished from the White House. The one quality above all others that Mr. Roosevelt demands in his associates is absolute loyalty. For many weeks Elder Statesman Bernard M. Baruch had a standing Tuesday lunch date with the President. But when Mr. Baruch publicly criticized the latest defense management shake-up as 'a faltering step forward,' he found himself free for other Tuesday midday engagements.

"Even less-than-great men, however, have been known to function effectively if given a clearly defined job or area of jurisdiction. President Roosevelt prefers to set one man against another, to divide authority in any field among two or perhaps three or four men. From A.C.C.N.D. through O.P.M. and O.P.A.C.S. to S.P.A.B. defense-production management has been cursed by this confusion of responsibility . . ."

Following these observations, *Fortune* recalls for its readers Mr. Roosevelt's chief and best known weakness. We read:

". . . his friends, however convincingly they may excuse and justify it, can hardly deny that Mr. Roosevelt, as a political leader, is marked by a certain deviousness and lack of candor in his relations with the public and fellow politicians. Friendly observers ascribe this to the simple necessities of politics. Others call it a clever tactician's love of wiliness for wiliness's sake. The trait, difficult enough to accept in peace, has become doubly exasperating to many citizens in the stress of war. A suspicion has grown up among them that they do not know what his real war policies are: that he is concealing the facts and his intentions from them. Or worse, that he may have no settled policies at all.

"His supporters can make out an excellent case for the President's handling of the war situation, a case gaining sharpness when they point out that many of those who now criticize him for going too slowly are the identical citizens who once denounced him most sharply in the past for going too fast. Certainly, in view of later events, his long insistence that defense production could be super-imposed on 'business as usual,' that nobody was going to be 'discombobulated,' is inexcusable. But eager interventionists must remember that President Roosevelt had one of the world's toughest selling jobs to do. For twenty years a vast majority of the American people had been convinced of nothing more profoundly than that they had made a sucker's mistake in entering the last World War and that nothing could persuade them to repeat it . . ."

* * *

Mr. Roosevelt has evolved into a Commander-in-Chief but, in doing so, has carried

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Comment

(Continued from Page 18)

many handicaps from the Presidency to his new office. Behind him is his failure to create national unity while we were at peace. Behind him is his inclination to favor Communism, though he abhors Naziism. Behind him is his failure to create a peace prosperity though Congress gave him unlimited power to execute it. And behind him is the practiced policy of supporting Great Britain with destroyers, munitions, planes and other equipment we Americans needed at Pearl Harbor, the Philippines and at home to defend ourselves against the Axis powers in the Pacific.

All these so-called mistakes must be lived down and overcome. All these, particularly his policy of consorting with Soviets abroad and radicals at home, must be rationalized by unswerving Moscow support. Should Stalin fail him, he will most certainly be discredited for having gone "all out" for the Soviet Union against the earnest advice and protests of millions of Americans.

Fortune magazine says:

"Only time can settle the argument. No man can yet say that the U.S. war effort is too little and too late. If it proves so then Mr. Roosevelt may, as one of his friends recently observed, go down as the most discredited President in U.S. history. If it proves otherwise, if a united people act in time, or if the war is actually won without much shooting, then Mr. Roosevelt's solidly built peacetime reputation as a great political leader will be immeasurably enhanced . . ."

The *Fortune* magazine article from which we have quoted probably was written, in part, before the declaration of war though the magazine is dated January, 1942. Already Pearl Harbor, China Sea and Manila are history. Pearl Harbor caught us napping and resulted in our losing the naval supremacy in the Pacific. The China Sea holds the *Prince of Wales* and the *Repulse* in its briny bosom, thereby endangering the saving of Singapore. And Manila—or Luzon Island—is the enigma. Eighty Japanese transports landed on the shores of Lingayen Gulf. Where was our Navy? Where was our air force? What will become of General MacArthur?

If Mr. Roosevelt will succeed, there must be candor in his expression, forthrightness in his execution and a plenitude of stepping on the toes of those directly responsible for under-estimating Japan and over-estimating the battle of the Atlantic.

Indeed, in days to come, Mr. Roosevelt may be forced to stand in front of a microphone to make an act of contrition to the American people for having supported brother Joe Stalin who, in one sense, holds the trump card, the big ace. Before another year elapses, it is possible for Stalin to be lined up once more with the Axis powers. Then, no white paper, no "*Apologia pro vita sua*" will suffice.

* * *

Following the White House conference between himself and Prime Minister Churchill, it will become clearer and clearer that our Commander-in-Chief has subscribed to the thesis: "If Britain wins, we win; if Britain loses, we lose." That program will be acclaimed over the radio and in the press—acclaimed for a while.

If Hitler's partial defeat in Russia does not result in a substantial blow; if Hitler by-passes Spain to cross into Africa, Britain will receive a staggering body blow. Her fleet will be handcuffed in the Mediterranean; her mid-Eastern armies will be trapped. That defeat will be as much America's as it will be Britain's. If such a catastrophe eventuates, we will be told to tighten our belts in more ways than one.

If, on top of this, Japan continues to maintain the upper hand in the Pacific, gaining Hong Kong, the Dutch East Indies and Singapore, the war will be over, in some respects, as far as Britain is concerned, and we will be left, practically alone, as the major opponent of the Axis powers.

About that time many of our people will be asking themselves how we got into it and why we got into it. The more these questions are circulated, the more embarrassing it will be for our Commander-in-Chief who, it will be remembered, did not try even once to talk things over with Adolf Hitler before 1939.

Meanwhile, the people are behind their Commander-in-Chief hoping such things will not happen. They know he has a job on his hands vaster than we realize, vaster than he realized a year ago when he dedicated our country to an all-out-for-Britain program. Even though we are behind him, Mr. Roosevelt, as Commander-in-Chief, cannot succeed unless Britain succeeds. That is the way diplomacy and policies have decided the outcome. On the outcome of Britain's efforts as well as ours depends the answer to the question, "Will Mr. Roosevelt succeed?"

* * *

And then, the word "succeed" may be translated by what will happen in America following the World War.

If there is widespread poverty, idle factories, idle men and social unrest which these phenomena produce, will World War II be any more of a success than was World War I?

Will Mr. Roosevelt be any more of a success than was President Wilson?

President Wilson forgot to blueprint the years following the cessation of hostilities. He won the war and lost the peace. More than that, he lost the confidence of the American people who repudiated him very energetically at the presidential polls.

To be a success—a lasting success—Mr. Roosevelt must look towards that period which will follow the war. He can't afford to be held responsible for poverty and idleness. Nor will he be reputed successful in days to come if his regime will be identified with the birth not of reforms but of radicalism in the United States.

Mr. Roosevelt shows a tendency to play along with radicals. To gain victory, he will not disdain shaking hands with Josef Stalin. If that tendency persists in manifesting itself in years to come, there is danger of Marxism's rising to power. If that happens, can Mr. Roosevelt be a success? Positively no. Therefore, to see that Mr. Roosevelt is a success it is the duty of every Christian American to co-ordinate their efforts now—today—to prevent Marxism and Marxists rising to power.

We are in this war for the duration—and after. We believe the duration period will take care of itself. It is the aftermath which Mr. Roosevelt should fear. Instead, therefore, of liquidating all organizations, societies and associations opposed to Marxism in any shape, manner or form, this is the time to re-invigorate them lest the Leftists become bolder and bolder as a result of our holding hands with Josef Stalin who, in our estimation, is a deficit even now as he will prove to be in the future.

As for the radicals becoming bolder and bolder, there is no need to discuss that matter in this comment.

It is our business to become stronger and stronger, and thereby help Mr. Roosevelt avoid the pitfalls into which Wilson fell; help our Commander-in-Chief to be a success, not only during the war but following the war!

DO YOU KNOW . . .

THAT the Metropolitan Museum in New York City has taken steps to protect the antiques and other art treasures in the event of an enemy air raid? Perhaps, the Administration should take similar steps to protect some of the Congressmen and Representatives because of their value to the New Deal.

THAT national defense has struck another snag? Some manufacturers are still interested in their profits and dividends and not the country's essential needs.

THAT the latest tax "dope" has it corporations, individuals, partnerships will pay their largest checks to the Treasury in 1942? Seems as though Priority has taken everything under the sun—so if Government uses the materials there must be some other place to tax.

THAT SOCIAL JUSTICE Magazine has increased its readers in the last month? People now are much more interested in getting the real story of what the war is really all about.

MR. AND MRS. READER:

The time has come for all of our readers and friends to help keep Christian truth alive—therefore, we are anxious to start immediately a drive for more bulk distributors. This job means more than selling papers.

Why not — support Father Coughlin's teachings and send in the blank below — request full information as to how you can help.

REMEMBER—get established now—PREPARE yourself for our call—IF YOU DON'T NEED THE MONEY WE NEED YOUR SERVICES—SO DO IT TODAY.

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NATIONAL WEEKLY

Social Justice

Founded 1936 by Father Coughlin

The Sixteen Principles

AS WAS said in a comment last week, this Year of Our Lord, 1942, is more than another New Year. It is a new era, a bit of the pathless unknown. Old landmarks have been bombed to rubble; and there is little guidance in violated precedents.

SOCIAL JUSTICE Magazine herewith presents issue Number One of Volume 9. A new volume and a New Year suggest resolutions: but, we could do no better than pledge our renewed allegiance to the principles we have already declared.

The story of the Sixteen Principles of Social Justice is well known to Americans by this time. These principles, in abbreviated form, appear on Page 2 each week.

For many years the principles of Social Justice were the background and the program of Father Coughlin's famous series of radio broadcasts; and, for the six years of this magazine's life, they have been the reason for our publication.

Preoccupied as we have been during the past months with an effort to keep this nation from going off to join the Crusades for liberty in distant lands, before solving the problems of our own domestic recovery here at home, we may have seemed to neglect the "sixteen principles." But, if you think so, note the leading comment in this magazine last week—*conscription of war profits.*

While not so labeled, that comment was a restatement of the familiar Principle No. 15, older than SOCIAL JUSTICE Magazine itself. It declares for: *"Conscription of wealth as well as men in the event of a war for national defense."*

* * *

So, you see, the fact that the nation is at war—precisely as Father Coughlin and SOCIAL JUSTICE predicted it would be under the policies being pursued—does not alter the truth or urgency of a single one of the Sixteen Principles of Social Justice.

Indeed, we venture the further prediction that the emergencies of wartime will see the adoption at Washington of more than one of these long-neglected principles. Singly or collectively, they still blueprint a sound national recovery and Christian social reform.

It ought to be very significant that in all the years of Father Coughlin's broadcasting, and in the six years of this Magazine's publication, not one critic or foe has ever successfully challenged a single one of the sixteen principles!

Incidentally, they are not of our authorship. As everyone knows, they are condensations from the teachings of two great encyclicals, *"Rerum Novarum"* of Pope Leo XIII and *"Quadragesimo Anno"* of Pius XI.

* * *

It is our firm conviction, therefore, that—far from being outmoded by wartime—the principles of Christian social justice are more timely and appropriate than ever.

The adoption of just one of the 16—we refer to the restoration to Congress of its Constitutional right to regulate money—could have prevented the depression; or, if applied in time, have cured it.

It is not too much to say that an honest money system in America would have changed the face of the world! Nor is it too wild a claim to assert that, had the United States divorced itself from the intrigues of international gold capitalism, this second world war might not have occurred.

* * *

Some day the war will be over.

A program of post-war reconstruction will be sought by the nations of the world.

As we say elsewhere in this issue (See *"We Can Win,"* Page 3), the principles of Christian social justice hold the answer.

EARLY DEADLINE NEAR IN BIG NEW 'AMERICANA' CONTEST

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